End Review of Ethical Trading Initiative Norway for Norad

Rasmus Reinvang og Ivar Foss
**Document Details**

<table>
<thead>
<tr>
<th>Vista Analysis AS</th>
<th>Report number 2013/03</th>
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<tbody>
<tr>
<td><strong>Title</strong></td>
<td>End Review of Ethical Trading Initiative Norway for Norad</td>
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<tr>
<td><strong>ISBN</strong></td>
<td>978-82-8126-099-3</td>
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<tr>
<td><strong>Author</strong></td>
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<tr>
<td><strong>Date of report</strong></td>
<td>January 29, 2013</td>
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<td><strong>Client</strong></td>
<td>Norad</td>
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<tr>
<td><strong>Access</strong></td>
<td>Public</td>
</tr>
<tr>
<td><strong>Project period</strong></td>
<td>October 2012 – January 2013</td>
</tr>
<tr>
<td><strong>Key words</strong></td>
<td>Ethical Trade, Evaluation, Norad, Norway, India.</td>
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Preface
This end review was carried out in the period October 2012 – January 2013. We would like to thank IEH staff for services provided in the process as well as other stakeholders in Norway and India who took time to comment and share their views on IEH’s activities and the important topic of ethical trade.

Oslo, 29 januar 2013

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Executive Summary

This is an end review of Ethical Trading Initiative Norway’s (IEH) cooperation with Norad in the period 2010-2012. IEH is a membership organization for Norwegian companies, public institutions and NGOs. IEH is a resource center with the main purpose of strengthening support for ethical trade and to enable members to improve ethical standards in their supply chains. IEH also address framework conditions through policy work, carries out trainings for suppliers in China, India and Vietnam, and engages in awareness raising activities. IEH cooperates with international partners to increase its impact.

The IEH is a governed by a board with representatives of members, which include major stakeholders from Norwegian businesses, NGOs and public institutions. This provides a solid foundation. The 10-person secretariat is a small unit with a flat organization. The staff all has higher academic degrees and generally show strong commitment. IEH members, international partners as well as participants in trainings in supplier countries consistently rate IEH staff very high on competence. The large majority of IEH’s members in general report a high level of satisfaction with IEH’s services. IEH is an organization with a strong competence base and is a highly relevant organization with regards to issues related to increasing trade with developing countries and CSR.

IEH has been through a turbulent time in 2010-2012, something that contributes to explain significant shortcomings with reaching set targets (ref. below). IEH had three CEOs in 2010, with quite different ideas about the development of the organization according to interviewees. The Development Plan 2010-2013, which set targets and indicators for the work in the period, was developed under the first CEO. The current CEO has focused on adjusting the ambition level and consolidating the organization. We consider this to be a needed and realistic approach, and that this work needs to continue in order to reduce performance risks.

In the period 2010-2012 IEH has to a large extent failed to reach the goals specified with indicators in the contract with Norad, and has also to a significant extent failed to reach modified goals agreed with Norad in annual meetings during the period. In 2011 IEH reached 2 out of 11 of the modified goals agreed with Norad, while 3 of the indicators could not be measured. For 2012, data per August indicate that IEH will likely reach most revised goals related to activities in producer countries but consistently will fall behind on the recruitment goals. IEH has in general worked in consistence with plans and progressed towards goals in the period.

Considering the key indicators for IEH as an organization, we see a gap between the ambitions in the development plan for the period and in revised plans, and results: Program 1: Expansion of the membership base has largely stopped, contrasting the ambition of 20% growth per year. 126 members by the end of 2012 is far below the original goal of 223 members and also below the revised goal (set in 2011) of reaching 144 members. Program 2: Services to members. The percentage of members introducing measures to improve conditions in supply chains fell from 2009 to 2011 (data not yet available for 2012) and is below 50% among relevant members. However, 82% of members report to have made changes in their purchasing practices. Program 4: Information and communication about ethical trade has made IEH visible, but results
are difficult to measure. Communication outreach through newsletters was by August 2012 about half of the goal set in the Development Plan for 2010-2013, but in line with the modified goal for 2012 (set in 2011). Program 5: Promotion of ethical trade by Norwegian authorities has given some results related to the indicators specified by IEH, but there is no systematic documentation showing the extent to which results can likely be attributed to IEH’s activities. IEH has certainly contributed, but whether this contribution has been effective is difficult to assess without further studies.

The goals for IEHs work have been changed and adapted throughout the period without revising the contract between IEH and Norad, which refers to the Development Plan for the period. This has created a weak framework for results-based management and also obscures the formal commitments of IEH towards Norad. When it - already in 2010 - became clear that the goals specified in the contract with Norad and in the Development Plan were unrealistic (as stated by IEH staff), IEH should probably have replaced the original plan with a revised plan setting a consistent framework for the work in the remaining part of the contract period. IEH and Norad should have made such a revised plan an addendum to the original contract, so as to ensure clarity about IEHs commitments.

This review shall look more in depth on performance related to Program 3: Activities in producer countries. IEH has provided thirteen 1 day/1.5 day trainings for suppliers of IEH member organizations (or members of partner organizations) in China, India and Vietnam in the period. IEH has also translated the Good Practice Guide into Vietnamese and facilitated the Local Resources Network (LRN), which enables contact between purchasers and local resources on ethical trade issues. IEH’s promotion of decent working conditions in supplier countries was reduced in scope compared with original plans, as activities have not been expanded to Bangladesh and Turkey as intended. The trainings in China and India are carried out with local consultants specialized in labor issues on short-term contracts. IEH trained 454 people in India, Vietnam and China in the program period (by Aug. 2012). The LRN web-platform was at the time of the evaluation not fully functional, due to technical and capacity problems. It is questionable whether the cost of NOK 2.3 million for Program 3 (2010 and 2011) is justified. We note the fact that the program is currently entirely paid for by Norad.

We have looked more closely at trainings in India as a case study. IEH has trained 75 people in India over three years of which 24 were trained in 2012 (the goal for 2012 was 50). At the 2012 training, producers from supply chains of 5 Norwegian members were presented and also producers for members of the Danish and UK initiatives for ethical trade. Interviews with participants in trainings in India confirm that there is a great demand for CSR-related trainings, affirms that IEH possess a high level of knowledge of the issues involved, and generally carries out trainings in a competent manner. Many interviewees called for a follow-up mechanism and processes allowing for sharing of experience and reporting progress, as there currently is no follow-up of the people being trained. The trainings in India (and in China and Vietnam) did not specifically address gender issues, in spite of this being very relevant when addressing labor issues in these countries. The scale of activity must be considered small in an Indian context and the outcome is likely to be very small.

The links between the IEH members’ own ethical trade work and the trainings in producer countries seem weak. A web survey of IEH members conducted in November
2012 indicates that only 27% of members actually make use of the trainings. The members who do make use of the trainings report very little knowledge about the effect of the trainings on their suppliers. In their present form, the trainings do not seem to be properly justified from neither a Norwegian nor a producer country perspective.

We consider that in order for the training to have real and measurable effect, the activity needs to be scaled-up and be carried out as part of long-term country strategies with a proper results-based management framework. Work in supplier countries should be targeted towards providing measurable results (possibly in selected sectors), backed up by the IEH members that have suppliers in the country, and include cooperation and coordination with other Norwegian stakeholders to a larger extent than today. IEH has ambitions to expand and deepen activities in supplier countries. We note, however, that IEH already has capacity problems affecting the implementation of program 3 at the current level.

IEH is in several ways a very relevant organization for Norad and the Norwegian government, ref. Norad’s program for private sector development and Norwegian government goals related to CSR (White Paper 10, 2008-2009) and promoting sustainable development (White Paper 13, 2008-2009). It is our impression that IEH is only to a limited degree used as a strategic partner by other relevant Norwegian stakeholders working on CSR and labour-related issues in developing countries. Broader and deeper engagement on country level would be required for IEH to realize its potential as a strategic partner for Norwegian stakeholders in selected countries. In terms of geographical priorities, IEH’s activities do not presently fit well with Norad’s, as the priority countries for Norad are the poorer developing countries.

As an organization, it is our impression that IEH is vulnerable and faces a number of challenges. Work in key areas is to a large extent dependent on individual staff, and excessive overtime appears to occur during peak periods, at least for certain key staff. Our impression is that overstretching human resources in periods is likely contributing to significant performance risk and in some cases reducing the quality of deliveries. IEH management has introduced measures to address such issues, such as measuring work load and extend work in teams. We consider that these measures have so far not been implemented to the extent necessary in order to ensure sustainability and significantly reduce current performance risks.

The growth in IEH’s budget has been lower than planned in the period. The 56% increase assumed in the budget for 2010 as part of the Development Plan for 2010-2013 soon proved to be unrealistic. In May-June 2010 the budget for programme activities (2010) was reduced by 32%, while administration costs were increased by 165%. This has not been commented on in reports.

The share of the budget covered by Norad support has increased a bit more than expected in the period, to around 24% (2012). IEH’s core activities are not dependent on Norad support, but work in supplier countries would stop without this support. IEH has at present no exit strategy with regards to Norad support.
Recommendations

- IEH should develop a consistent results-based management system including a proper risk management system and a monitoring and evaluation framework for the next planning period. The focus should be on results, so that activities can be adjusted as necessary in order to reach the intended results.
- IEH should explicitly address capacity issues in future planning and consider whether focusing work on fewer topics will increase effect and quality.
- A strategy should be developed to engage IEH members more in work to actually improve conditions in the supply chain, as such improvement is a core goal of IEH and currently the involvement of members is weak and far behind goals.
- Members should contribute to finance activities in producer countries, in order to increase ownership and reduce IEH’s current total reliance on Norad support for such work.
- IEH’s work in producer countries should be based on country strategies, be focused on selected countries and/or sectors where IEH and IEH’s members can likely make a strategic difference, include cooperation with other relevant Norwegian and international stakeholders and have measurable goals for impact based on baseline assessments.
- Trainings in producer countries should include follow-up mechanisms for participants and explicitly address gender issues. Steps should be taken to include gender issues in follow-up work with participants and to find indicators related to gender.
- The Good Practice Guide should be developed into a more practical tool, and supplemented by other tools such as checklists etc., that can be used in work on the ground to improve conditions in producer countries.
- An assessment of the potential, cost and added value of the LRN web platform in light of technical challenges, experiences so far and other possible ways to facilitate contact between purchasers and local resource milieus, should be made before significant investment is made in developing the tool further.
- IEH should increase the net membership base, as buy-in from a significant portion of Norwegian importers is crucial to reach goals of realizing more ethical trade.
- A possible new agreement with Norad should contain a clause on amendments that can be invoked if there is a need to redefine goals, activities, time schedules or budgets. There should always be a consistent relationship between these parameters. An addendum agreed between the partners should document the changes made.
1 Introduction

This report constitutes an end review of Ethical Trading Initiative Norway with reference to IEH’s agreement with Norad for the period 2010 - 2012. The report presents a general assessment of IEH’s cooperation with Norad and of IEH’s capacity, quality of work and economic sustainability as an organization. We have reviewed IEH’s activities in Norway and in developing countries through a case study in India. The primary sources are IEH records and documents, interviews with the IEH secretariat and board members, a web-survey of IEH members, as well as interviews with producers and stakeholders in New Delhi, India.

The terms of reference for the end review highlights that the review shall assess IEH’s professional and administrative capacity to carry out programs, provide conclusions about the quality of IEH’s work as well as IEH’s economic independence/self-sufficiency and a possible exit strategy from Norad support. Moreover, the review shall in particular consider the results/effects of IEH’s work in supplier/producing countries and assess the relevance of IEH’s work to Norad’s Private Sector development Strategy incl. recommendations for cooperation between IEH and Norad in the future.

We will in the following provide assessments of IEH’s performance on a wide range of criteria, while providing more depth and scrutiny to the issues highlighted in the ToR.

2 Implementation of the end review

The end review has been implemented under the framework agreement between Norad and Nordic Consulting Group (NCG). Rasmus Reinvang of Vista Analyse AS was appointed as Project Manager and Ivar Foss of Ivar Foss Quality Management AS as a staff member on the project.

The review has been conducted according to Terms of Reference (ToR) of the agreement dated 28 September 2012. A detailed work plan was submitted by Vista Analyse, also on 28 September 2012. The document review and interviews with IEH staff, board members and stakeholders in India were conducted in the period October-November 2012. A list of interviews is included as Appendix 1. The case study of IEH activities in India was conducted in week 48 by a mission to New Delhi by Rasmus Reinvang.

This draft version of the report was developed in week 46 - 49. The report is issued to Norad and IEH for comments, and the final version will be issued in week 51. A final meeting of Norad, IEH and project staff is planned for 7 January 2013.
3 Initiative for Ethical Trade: Description and analysis

3.1 About IEH

Federation of Norwegian Enterprises (Virke), the Norwegian Confederation of Trade Unions (LO), Coop Norway and Norwegian Church Aid founded the Ethical Trading Initiative Norway (IEH) in 2000. IEH is a membership organization for companies, organizations and public enterprises. IEH’s members range from some of Norway’s largest companies to sole proprietorships, public bodies and organizations. The majority of the members are small- and medium-sized enterprises. In 2012 the composition of the membership is as follows:

- Companies 94
- Non-Governmental organizations 17
- Public sector organizations 13
- Total 124

According to IEH’s byelaws (vedtekter) IEH’s objective is to promote responsible supply chain management to ensure that international trade safeguards human rights, labour rights, industrial development and environment. This is achieved by:

1. Strengthening the support for ethical trade.
2. Supporting members in developing ethical trade practices.

In Norway, IEH aims to expand its membership, provide information and learning on ethical trade, also targeting groups such as Norwegian media and politicians.

Members of IEH are obliged to accept IEH’ Declaration of Principles. Being a member of IEH implies a commitment to respect all human rights, including labor rights, the protection of the environment and anti-corruption. Furthermore, members commit to work towards continuous improvements in their supply chains and shall report annually to IEH about how and to what degree they do this. Members are given individual written feedback on their annual report. IEH is not a certification body and does not vouch for the standards of its members. However, if members through annual reporting or lack thereof show that they are not taking ethical trade seriously, membership can be terminated.

3.2 IEH’s agreement with Norad 2010-2012

IEH’s current cooperation with Norad is based on the agreement with Norad dated 30 June 2010, which has been followed up in annual meetings between the parties. The agreement concerns Norad support of NOK 1 mill. (2010), NOK 2 mill. (2011) and NOK 2 mill. (2012). The supported programme targets the following impact, outcome and outputs:

Impact: All trade and production takes place with respect for humans and the environment.

Outcome: Improved working conditions and environmental conditions in the supply chains of IEH members.
End Review of Initiative for Ethical Trade Norway for Norad

Outputs:

A. A significant increase in IEH membership (20%/year).
B. Suppliers and sub-suppliers on several levels of IEH member supply chains are able to uphold and/or work for decent work and environmental conditions.
C. IEH is a leading resource center for information and knowledge about ethical trade.

The agreement refers to the Development Plan 2010-2013 for further rationale and details and includes indicators.

3.3 Organizational structure: The board and the secretariat

A board consisting of a chairman, six ordinary board members and six deputy board members governs IEH. The members choose the board at the annual meeting of members. The board is responsible for development of IEH’s strategy, goals, overall plans and the budget, that IEH is organized in a manner fitting with overall plans, as well as control. Normally, 6 board meetings are conducted per year. Interviews with the board as well as members of the secretariat confirm that there is good cooperation and a common understanding between the board and the current CEO.

The board for the period 2012-2013 is led by a representative of the large Norwegian retailer Coop Norge Handel, and has ordinary board members representing the Norwegian service enterprise organization Virke, public health corporations, clothing industry (Varner Gruppen) and other industry (The Body Shop), labor organizations (LO) and humanitarian NGOs (Kirkens Nødhjelp). IEH thus represent a Multistakeholder Initiative. The wide anchoring of the work of IEH, is a strength of the organization.

The IEH secretariat consists of 10 employees, led by CEO Per Bondevik. IEH has had three leaders in the period 2010-2012, with quite different opinions about the development of the organization - according to interviewees. 2010 was a turbulent year, with one CEO preparing the strategic Development Plan for 2010-2013, another CEO (temporary and part-time) signing the agreement with Norad in June and a third CEO – current CEO Per Bondevik - starting in November 2010. Allegedly, the secretariat was in the period able to meet obligations although some negative effect on effectiveness must be presumed. Interviewees at IEH and the board have pointed out that current CEO Per Bondevik’s main priorities have been to adjust IEH’s ambitions to a more realistic level and consolidate the organization.

IEH staff 2012

Manager
P. Bondevik

Office Manager:
H. Aaakbakke

Senior adviser member service:
M. Bolley

Project coordinator:
S. Foss*

Head of Communication
U. Grevstad

Project assistant:
L. B. Kuroishi

Senior adviser member service:
H. Mollett*

Senior adviser, tool development and reporting:
O.H. Sommerfelt*

Senior Adviser
Public Procurement:
M. Paulrud*

Project Manager international Activities
G. Whnum*
At the end of 2012, the secretariat consists of ten people, as shown in the figure above. The secretariat constitutes a small unit with a low level of hierarchy and with competent and motivated staff. Staff members generally have higher academic degrees from a variety of relevant fields and most members also have relevant work experience prior to their position in IEH. Staff members generally give an impression of significant personal motivation. Five members of the executive staff have worked at IEH for at least 3 years (staff marked with *), something that secures continuity in the content and development of IEH services. The IEH secretariat appears to constitute a stable, qualified and diverse group of professionals, something that is a strength of the organization.

The IEH secretariat has a weekly meeting ensuring consistent information sharing, in which common issues are discussed and where there is room for addressing more specific issues related to different work streams. Annual internal workshops are carried out to discuss member reports and strategic planning, and annual meetings between the CEO and individual staff (medarbeidersamtale) are also carried out. Besides this, no other formal meetings points between staff and/or between staff and management are held during the year, where progress and challenges related to the development of the work programs may be discussed or reported. General need for discussion, adjustments, and decisions etc. (adaptive management) through the year are mainly solved through informal communication and ad-hoc meetings according to need, according to interviewees.

IEH is a relatively small but growing NGO with a number of characteristics that are quite typical of NGOs at this level: Staff resources are limited compared with the size and complexity of the issues staff are addressing. Ambitions are high and to a large extent influenced by personal commitment. Work on specific topics (such as international activities targeting the supply chain and public procurement) is often to a significant degree dependent on one single person in terms of content and networks. Information sharing often takes place in an informal manner and the degree of institutionalization is low. It is apparently a challenge for IEH to plan properly for time to deal with issues that will likely arise in some form and that one needs to respond to (such as media debates on core topics), something that is likely to contributes to overtime in periods and potential overload. These are situations that are difficult to avoid entirely, but there appears to be room for improved internal planning.

In interviews IEH management acknowledges such challenges and efforts have been made in the period to address such issues by introducing measures such as reporting on actual time used for different activities (which contributes to more realistic planning) and also making sure that other staff are involved in and exposed to work in a certain field that is led by a specific manager or senior advisor. Our impression is that this type of measures have not been implemented on a scale and with the depth required to reduce organizational risk substantially.

Interviewees have pointed to regular occurrences of excessive overtime. It has been pointed to especially two times a year where this is common, in early spring when the member reports are received and shall be responded to, and in the peak delivery period in the fall. We have registered several examples of work overload leading to lower quality in deliveries than wished for and a lack of back-up systems and/or quality control by the organization of work handled by only one person. This is anecdotal evidence and not necessarily representative of the situation in all work programs. At
present, it is our impression that IEH, at least in certain areas, is a vulnerable organization and that further management efforts need to be made to consolidate and focus resources for the organization to operate in a more sustainable manner.

3.4 IEH’s strategy
IEH presents itself (IEH 2012: webpage) as a resource center and an advocate for ethical trade practices. IEH identifies and develops relevant tools for members' work on ethical trade and assists members with training and consulting. IEH is thus a learning platform for how companies and organizations can contribute to improvements in labor and environmental conditions in their supply chains, particularly in developing countries and emerging economies.

IEH's vision for the period is “Vi skal skape samarbeid om handel som fremmer menneskerettigheter, arbeidstakerrettigheter, utvikling og miljø” (IEH's Virksomhetsplan 2010-2013). This can be translated into “We shall enable cooperation on trade that promotes human rights, labour rights, environment and development.”

IEH’s strategy is thus to achieve change towards more ethical trade practices through raising awareness and increasing the competence of stakeholders along the value chain (mainly Norwegian members) to instigate change towards more ethical trade. IEH is thus an enabler and not an agent which itself implements the changes it strives to realize. IEH’s strategy document for 2010-2013 points to the two strategic targets of the bye-laws:

1. Strengthening the support for ethical trade.
2. Supporting members in developing ethical trade practices

The work to realize these two strategic targets is divided into five programs with the following objectives:

1. Considerably more Norwegian companies and organizations accept binding membership in IEH.
2. IEH members are open regarding the challenges and cooperate widely on continuous improvement of labor/work and environmental conditions in their own supply chain.
3. Operators in the members’ supply chain in producing countries are able to take care of or make efforts for decent labor/work and environmental conditions.
4. IEH is a leading resource center for information and expertise on ethical trade.
5. Norwegian public authorities promote ethical trade in activities and policies.

Of these five programs, program 2 and 3 can be considered the activities directly related to enabling more ethical trade practices, while activities 1, 4 and 5 are related to enabling conditions or frameworks for activities under program 2 and 3. We note that the target groups for all points except no. 3 are the Norwegian members of IEH. Norad is in the period 2010-2013 supporting activities under point 1, 3 and 4.

IEH cooperates with international partners in order to develop and contribute to development of competence in the community, in order to increase leverage in international process related to ethical trade, in order to share and develop resources in a cost-effective manner, and to implement activities in developing countries in a
coordinated manner allowing for increased penetration of the target group. IEH’s main international partners are Ethical Trading Initiative (UK), DIEH (DK), Fair Wear Foundation (NL), Social Accountability International, Sedex (UK) and Fair Labor Association (USA). IEH has formalized cooperation with these organizations in the period 2010-2012. It is also worth noting that IEH contributes to a working group on supply chain reporting in the standard-setting Global Reporting Initiative.

### 3.5 Result and risk based management

Result-based management involves moving attention from a focus on inputs, activities and processes to focus on benefits – from what you have done to what you have achieved. Results management also focuses on using information on results to improve decisions making. A basic principle in results planning is to start with the intended impact and outcomes, and then identify the outputs, activities and inputs required to achieve them. In order to implement a results based management system, you must a) establish a baseline, b) find out what you want to achieve in say 3-5 years, c) identify the activities and resources needed to get from the current situation (a) to the goal (b), and d) establish indicators that will allow you to know when and if you have arrived at your goal. The results framework should be linked to a monitoring and evaluation plan, which allows the organization to assess progress on a regular basis and make necessary adjustments.

In general terms, work seems to have been carried out in the period along the main lines of work in line with general goals, upholding commitments to members and progressing towards original targets to the extent possible. On a practical level, functional management has thus taken place.

In general terms, however, IEH appears to have significant potential for improvement related to result based management. IEH has a precise understanding and can report on the outputs of the organization, but the outcome and impact is more unclear. What exactly was it that IEH in 2010 wished to have achieved in 2013, and has that been achieved? What has the impact been? Were the necessary resources available? Such questions are fundamental for IEH’s existence and probably needs to be addressed in a more systematic and critical manner, including a consideration of indicators. In general, the focus on benefits of the work conducted should be strengthened in order to enable learning and optimization of activities towards increasing benefits. Critical considerations of outcomes and impact should guide decisions on whether to keep targets or modify them. For instance, what is the size of the target group(s) in Norway and what scale of activity is required in order to have a systemic impact on ethical trade in Norway and in supply chains?

The Development Plan 2010-2013 provides the baseline understanding, goals and framework for IEH’s work in the period and is extensively referred to in the agreement between Norad and IEH 2010-2012. This plan has not fully filled its intended purpose in the period, since the budgets were greatly reduced before the agreement with Norad was concluded in June 2010. The process is described in more detail in Section 6.3. When the current CEO started working at IEH in late 2010, many of the goals in the development plan (especially membership growth) were considered to be unrealistic and this was communicated, also externally. This openness is positive and important, as things do often change. However, from a results management perspective the weakening
of the status of the Development Plan early on in the period has created problems, mainly due to uncertainties about the real goals. In planning and reporting documents in the period adjusted and tentative goals (tentativ målsetting) are presented for different programs. This creates an impression of goals having been adjusted to actual performance as one goes along. It also makes it difficult to evaluate IEH’s performance, as the Development Plan constituting the baseline document lost authority during the period. The Development Plan also contains a monitoring framework, where some indicators during the period were considered to not be valuable and/or where not feasible due to changed circumstances. These were often not, however, replaced with new indicators aiming to measure progress achieved.

It will be important that IEH when designing the Development Plan for the next period, 2013-2015, is able to establish a proper framework for the work and a monitoring and evaluation program which enables staff at all levels of the organization to measure progress at regular intervals and for the organization to adjust operations in a regular, systematic and documented manner. Risk management appears to be underdeveloped at IEH. Organizational, there are considerable risks related to excessive workloads and high dependency on specific individuals for delivery on work programs, as mentioned earlier. The Development Plan includes a section on risk evaluation (risikoevaluering) for each of the programme areas. These sections mention and comment on a few risk factors for each programme area. The draft final report to Norad 2010-2012 includes the section "Evaluation of risk factors" with comments on four factors along similar lines as the plan. As seen from a risk management perspective this approach appears superficial. For one, risk assessments and management should be part of the process of planning and executing activities in order to ensure an optimal outcome. This is not institutionalized at IEH and we propose that IEH seek advice on modern risk management and consider how to implement key risk management tools in their operations. We have witnessed poor risk management leading to lower quality of outputs than wished for.

### 3.6 Degree of dependence on Norad and exit strategy for Norad support

The financial dependence on Norad has increased in the period 2010-2012. According to the budgets for the period in the Development Plan, Norad support was expected to constitute 11% (2010), 20% (2011) and 19% (2012) of the total annual budgets in the period. Due to a weaker than expected development in membership income, the Norad share of the total budget has been a bit higher: 13% (2010), 24% (2011) and 24% (2012, estimate by IEH of August 2012). IEH’s total budget has been between NOK 7.8 and 8.3 million in the period.

Norad finances the international work and to some extent work on recruitment of members and communication. With regards to the international work, the dependency on Norad is high. Norad finances all activities in supplier/producing countries and these activities are at present entirely dependent on continued Norad support to be able to continue and possibly develop further. With regards to the recruitment and information work, Norad support is used to bolster the core activity that is financed through membership fees. The core activity of IEH, to serve the IEH members in Norway, is thus independent of Norad support. Without Norad support, however, IEH would likely need to reduce staff also outside the area of international activities.
IEH does not at present have an exit strategy for Norad support, but the management and board is currently discussing how IEH can reduce exposure and risk related to dependency on Norad support in certain areas. The Development Plan for the period 2013-2015 is currently under development and will according to IEH address such issues.

We understand from interviews with IEH management and the board that IEH in the coming years aim to increase support from Norad and other public institutions in the future, to an extent that would probably increase the share of such support in IEH’s total budget. The Norwegian government has a pronounced focus on CSR issues and increasing and more sustainable trade with developing countries. The IEH board and management refer to this development as possibly IEH’s main strategic opportunity over the next years. This is understandable. At the same time it leaves limited room for having a real exit strategy for Norad support, at least for the coming years. IEH need to clarify with Norad what is a realistic level of future support before finalizing their new Development Plan.
4 Results in supplier countries, with a case-study of India

4.1 Activities in developing countries 2010-2012

Activities in developing countries mainly consist of delivering training courses for suppliers to IEH’s members and suppliers and to IEH’s international partner organizations (ETI in UK and DIEH in Denmark). IEH also facilitates a Local Resources Network, which enables IEH members to get into contact with local resources in developing countries with competence on ethical trade related issues (local labor standards, environmental regulations, cultural frameworks etc.). IEH has also been involved as a resource in different CSR related initiatives carried out by the Norwegian government in or with regards to developing countries.

In the period 2010-2012, IEH has carried out 13 1-day or 1.5-day trainings in China (8), India (3) and Vietnam (2) reaching a total of about 500 participants (ref. chapter 4.2 below). Historically, IEH began conducting trainings in China and this has expanded to Vietnam (since 2007) and India (since 2010). The IEH members promote and offer the courses to suppliers/producers in the relevant countries. The trainings are carried out in cooperation with a local consultant on a short-term contract that assists in adapting the training material to local circumstances and carries out the actual training. A representative of IEH is also present at and participates in the training. In Vietnam, IEH’s training partner is not a consultant but the Vietnam Business Council for Sustainable Development (VBCSD).

Trainings typically consists of an opening and closing speech by the IEH representative, a generic presentation of advantages for suppliers/producers in applying improved working conditions and environmental standards (referred to as the “business case for ethical trade”), presentation and discussion of specific issues (e.g. how to reduce overtime and increase productivity, how to improve worker dialogue, how to improve purchaser practices and purchaser-supplier dialogue) with the aim to raise awareness and empower participants to pro-actively communicate and address such issues in their workplace, and a presentation of the Good Practice Guide. In China, IEH has in addition focused specifically on the issue of collective agreements at the workplace – an issue where there are interesting developments in China, triggered by increasing focus on the unsustainability of very poor working conditions.

At each training session participants fill out a self-evaluation form at the end of the session, giving feedback on the quality and content of the training. We have consulted the reports from the 9 training sessions conducted between 2010 and August 2012, and the general feedback from participants is very good with the percentage answering “good” or “very good” generally well above 75%. The evaluation reports also contain important feedback on which issues the participants are most interested in and to what degree different topics are felt to be problematic. This provides information from the target group that allows IEH to check and develop its understanding of the situation on the ground and to adjust consecutive trainings accordingly. This is a way of working that appears to work well.

The Local Resources Network is a web-based tool (www.localresourcesnetwork.net) and IEH was part of establishing the network with support from Norad, prior to the current cooperation period. In 2011, IEH took over responsibility for maintaining the
network, and the steering group consists of ETI (UK) and DIEH (DK). A new web-platform was launched in Spring 2012. The platform allows purchasers and local advisors to register and find each other. A differentiated fee-system is applied, where commercial stakeholders are obliged to pay a certain sum to use the platform, whereas non-profits and academic stakeholders are not required to pay for registration. At present the web-platform is not functioning fully to the extent intended, due to technical challenges related to *inter alia* the search function. In addition, IEH notes that capacity must be ensured to regularly assess and approve new registrations. IEH expects that the LRN platform will function at a satisfactory level by end of 2013.

The LRN web-platform is - if it is commonly known by relevant stakeholders and used - a cost-efficient way of facilitating contacts between purchasers and local resources that in a practical manner will lead to concrete improvements taking place on the ground. IEH has ambitions to expand LRN and make it widely used international improvement and remediation platform. An assessment of functionality and other available tools that may serve the same purpose would be necessary in order to assess the feasibility of such a plan, and should be provided if Norad support is sought for further development of LRN.

### 4.2 Results in light of original targets for the period

IEH has to a large extent failed to reach the targets for the work in producer countries, as outlined in the Development Plan 2010-2013, and also lagged behind reaching revised targets set in the period.

The table below shows actuals for each year compared with targets and listed indicators, and further below we comment on progress in relation to other targets mentioned in the Development Plan. For the targets with indicators, we see that especially the use of the Local Resources Network seems to have fallen behind original plans. After the turbulent years of 2010 and 2011, performance appears to have improved. All data for 2012 are still not available, and it is thus possible that IEH in 2012 may reach a majority of the original targets by end of year.

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</tr>
</thead>
<tbody>
<tr>
<td>Participants in trainings</td>
<td>150</td>
<td>82</td>
<td>250</td>
<td>200</td>
<td>269</td>
<td>250</td>
<td>250</td>
<td>103*</td>
</tr>
<tr>
<td>Increased understanding for the business case for good worker conditions (scale 1-10)</td>
<td>9</td>
<td>7,6</td>
<td>9</td>
<td>9</td>
<td>8,2</td>
<td>9</td>
<td>7,5</td>
<td>8,7*</td>
</tr>
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</table>
In addition to the targets mentioned above the development Plan and the agreement with Norad also refer to plans to expand training courses from China to India, Vietnam, Bangladesh and Turkey and also adapt the GPG to these countries incl. translation into Hindi, Vietnamese, Bangla and Turkish. According to the annual reports from meetings with Norad, IEH first postponed plans for Bangladesh and Turkey from 2010 to 2011, and then in 2011 decided to cancel these plans and also the plans to make a Hindi version of the Indian GPG. The effect of cancelling plans for Bangladesh and Turkey on IEH’s strategic targets was not commented upon.

Another goal mentioned in the Development Plan (p. 23) is to “promote and facilitate concrete improvements among suppliers/producers through training as well as development and promotion of tools for managers and workers”. As we shall see by the feedback from Indian participants in training in Section 4.4, it seems highly unclear whether IEH has been able to facilitate concrete improvements and IEH has at least in India not developed tools for managers and workers beside the GPG.

4.3 Feedback from Norwegian members on international activities

In the web-survey of Norwegian members conducted in November 2012 (ref. appendix 3), members were asked about their impression of the usefulness of the trainings and related features in supplier/producer countries. Please note that 54% of IEH members answered the survey, so that these numbers convey the opinions of a bit more than half of IEH's membership base.

Around 50% of the respondents in the web survey did not have an opinion about the quality or usefulness of the activities in supplier/producer countries. (The trend is clear also when excluding members such as organizations that do not themselves import, such as NGOs.) 27% of the respondents reported that they have suppliers/producers that have attended training courses. The web-survey indicates that only about half of IEH's members have real experience with and find these activities relevant and that about a quarter actually use the courses.

Importance and quality of training. 46% of respondents considered the courses to be important and 43% considered them to be of high quality. About half of the respondents

<table>
<thead>
<tr>
<th>Number of members using or distributing the Good Practice Guide to suppliers</th>
<th>25%</th>
<th>11%</th>
<th>30%</th>
<th>20%</th>
<th>27%#</th>
<th>50%</th>
<th>20%</th>
<th>47%**</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of buyers using Local Resources Network</td>
<td>80</td>
<td>43</td>
<td>140</td>
<td>70</td>
<td>Not measured</td>
<td>250</td>
<td>60</td>
<td>60*</td>
</tr>
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</table>

* Per August 2012 (Sluttrapport til Norad 2010-2012, of autumn 2012)
# This number includes members who have suppliers who have received GPG at trainings. In the 2011 report to Norad, these members are not included and the number provided is then 15%.
** From a web-survey conducted in Nov. 2012, where about half of IEH’s members responded.
did not have an opinion. Of the group that did have an opinion about the trainings, 87% considered them important and 80% considered them to be of high quality. The Norwegian members who do make use of the courses are thus generally content with the courses. It is notable, however, that 20% in the actual user group report the trainings to be of “poor quality”. This probably indicates that the course did not meet the needs of this group, as other sources consistently note that the quality of the program presented at the courses is high.

Members’ need for more training. Of the total group of respondents, 39% considered it important to have courses in more countries and 22% considered it important to follow-up the current introductory courses with more in-depth courses. Of the group that did have an opinion about trainings, 66% considered it important to have courses in more countries while 34% did not. 67% in this group considered it important to follow up with more in-depth courses while 33% did not consider it important. Generally, it does not seem to be a very strong demand among members for courses in more countries nor for more in-depth courses.

Impact of training and GPG according to members. 27% of respondents replied that theirs suppliers/producers have attended trainings. When presented with eight different statements describing how they may have experienced a positive impact on the suppliers/producers who have participated in courses, the replies generally indicate that members (at least their contact points) have little knowledge and experience with if or how the course affects its suppliers. The most positive score on this series of questions was with regards to the statement “Suppliers who have participated in IEH’s course have a better understanding of demands and expectations related to ethical guidelines, than suppliers who have not participated in such courses.” More than half (58%) of the members who had had suppliers/producers in courses agreed with this, while 16% disagreed. Only 32% agreed that courses and the GPG has had a positive influence on conditions at the suppliers (with 47% stating they don’t know), and only 10% agreed that they have had specific experiences with suppliers improving conditions after participating in the course. None of the respondents could confirm experience with suppliers/producers using the GPG in process to improve conditions.

43% agreed with the statement "We have to a small degree experienced specific changes at suppliers who have participated in IEH’s courses", while 37% don’t know and 16% disagree. This feedback primarily testify that IEH members have little knowledge of the actual effect of the courses provided and the GPG and that these services to a small degree seems to be integrated in the work members themselves carry out to improve ethical standards, at least in Norway (some members may have hired staff to follow up on such issues in developing countries).

Good Practice Guidebook. Also with the GPG we see the pattern that only about 50% of respondents have an opinion about it. 57% of the total group considers it to be of high importance (8% to be low), while 46% consider it to be of high quality (7% to be poor). 43% consider it to be “a very useful tool” (14% disagree). As with the trainings, we see that members rate GPG higher on importance than on quality and usefulness, which implies that the GPG in its current form does not fully meet the needs of those who consider it important. 47% confirm that they have passed on GPG to producers or agents, 47% that they have not. 23% confirm that it is standard practice to pass on GPG to producers or agents when cooperation begins, 71% that it is not.
In interviews, several stakeholders have noted that the GPG is a big document (more than 100 pages) that not always applies to the skills level of the target group and which it is practically difficult to distribute. The GPG pdf-document is for instance too large to easily be sent via email. The GPG is a document generally considered to be of high quality, yet at present the use of the GPG is to a limited degree mainstreamed among members and it does not appear to have an optimal form that allows for easy and full penetration of the target group. IEH has in interviews expressed an awareness of this and are considering ways to improve the GPG format, for instance by creating an e-learning version. We consider it important to optimize the format of GPG in the future.

**Local Resources Network.** In the web-survey of Norwegian members, 57% of respondents answered that they considered the LRN to be of high importance and 40% that LRN was of high quality. According to interviews, the LRN web-platform of spring 2012 works but is at present not fully fine-tuned to serve its intended purpose in the optimal manner. It has also been pointed out that local stakeholders at present often will not know about the brand “Local Resources Network”, as contact between purchasers and local resources still mostly take place via direct facilitation by IEH and not through the web-platform. It seems that at present the LRN-network is neither fully operational nor realizing it’s full potential to enable concrete changes on the ground in developing countries.

### 4.4 India: Activities, plans, feedback and observations

IEH has carried out an annual training course in India every fall since 2010. At each occasion, IEH has hired an Indian consultant to carry out the course together with IEH. We note that IEH has used a different consultant every year. In 2012, the consultant used also works for the Fair Labor Association (FLA) in New Delhi. IEH has the intention to in the future formalize cooperation with FLA in India (and possibly in China) in the future, in order to have a long-term Indian partner and institutionalize a presence in India. We support these plans if activities are to continue.

The trainings in India have generally followed the standardized format outlined earlier. The 2010 seminar had 18 participants, the 2011 seminar had 33 participants (serving 10 Norwegian EHI members), and the 2012 seminar had 24 participants (serving 5 Norwegian IEH members). IEH’s goal for the training in India 2012 was to have 50 participants and IEH only reached about half this number. In total, IEH has trained 75 people in India in the period. It may be noted that IEH report that experience shows that it is more difficult to attract participants to the trainings in India than in China and Vietnam. The reason for this is unclear.

We have collected feedback from all participants at the 2011 and 2012 trainings to the extent possible, and an overview of feedback from the two groups is presented in appendix 3. We were able to get in contact with 25% of the participants from 2011 and 54% of the participants in 2012 – a total of 21 participants.

**Relevance and importance.** All the participants we were in contact with confirmed that this type of training is very important, that there is a great need for this type of training in India and all except for one confirmed that they would be interested in attending future trainings going more in depth on issues. Several highlighted especially the topic of worker-management dialogue. EHI’s course is clearly experienced as relevant and important by IEH’s target group.
Outcome and impact: We asked participants if they had or planned to introduce specific changes in their work place as a consequence of having attended the course. 76% of respondents (16) answered in the affirmative. When pressed to give examples, however, few came up with concrete action points. A few mentioned that they were taking concrete steps to begin to improve worker-management dialogue. Respondents generally gave the impression that they were increasingly focusing on ethical trade related issues, that the IEH course was useful in that context, but that the course in itself did not trigger any specific change.

Good Practice Guide. At the training each participant received the GPG, which is the only take-away tool provided. When asked whether participants considered the GPG would be useful, 76% of respondents (16) answered in the affirmative. When pressed to explain how, many commented that the GPG gives a very good and useful overview of issues, but that the format was extensive and that simper tools such as checklists would be useful in order to implement real change on the ground.

Strengths and weaknesses. When asked to comment about strengths and weaknesses, respondents in general highlighted that the course was very good for awareness raising and inspiration, that the content was of high quality and that the discussions were very useful. With regards to weaknesses a large number pointed to the lack of a follow-up mechanism, with a contact point participants could use if they had questions, opportunity to meet again and discuss progress, and/or a mechanism for reporting or checking progress post-course. Several also pointed to an unmet demand for check-lists and practical implementation tools to reach low management and workers, where changes need to happen.

Critical observations

The scale of activity in India is very limited and calls into question whether the courses fulfill a real purpose, besides being a good awareness raising exercise for a limited number of people.

The courses in India are poorly justified in a Norwegian and well as an Indian context, according to the information we have been able to gather. We understand that the argument for conducting courses in India is that India is an important sourcing country for Norwegian members. But very few Norwegian members have suppliers/producers present at the courses. How large a share of the Norwegian members that source from India have suppliers that attend the courses? To what extent has IEH been able to reach the Indian supply chains of its Norwegian members? This is unclear and one gets the impression that there is a weak connection between IEH members' presence and needs in India and the courses taking place – except for a few companies (e.g. the Varner Group and Mester Grønn). On the Indian side, little has been done to estimate impact and it is very unclear what the courses achieve. Participants are registered with names, business and contact information, but it is not registered how large a factory they represent and thus the potential scale of impact the training may have. The registered information on participants is rudimentary. When trying to contact participants in the trainings of the last two years, the contact information provided a dead end for 39% of the group. Little effort has been made to facilitate or ensure that concrete improvements take place after the course has been held, in spite of this being the actual aim of the course. For the
courses in India to a serve a real purpose, they must be better justified in a Norwegian as well as Indian context and developed so as to be able to be a driver for concrete changes.

A Norwegian IEH member has minimal cost involved in having a supplier attend a course and the real impact on the supply chain at the outset seems minimal. Seen in isolation, the courses provide an opportunity for Norwegian IEH members to report that they are addressing CSR issues in their supply chains without necessarily doing anything. This poses a risk for the courses being misused for greenwashing purposes.

The courses in India (and also in China and Vietnam) do not address gender issues. This is surprising, as IEH notes in its Development Plan that women, children and minorities are especially vulnerable to unethical treatment in supply chains. Indian interviewees working professionally with CSR issues in India confirmed that gender is an important issue in the Indian context and that it is often addressed in trainings and courses. We recommend that IEH address gender explicitly in its activities in India (and in China and Vietnam).

Finally, the cost-effectiveness of the courses in India is low. Provided the resources that has been spent to create the trainings in each case and the general need, the number of participants has been low. One participant also commented this. Interviewees revealed that bad planning was part of the reason for the relatively low low turnout for the course in November 2012, as the date was poorly chosen in light of Indian holidays.

Careful planning to optimize outputs, outcomes and impact is a must for an organization like IEH. The principles of result-based management (including risk management) should to a larger degree guide the activities in India (and probably China and Vietnam). At present the outcome and impact is unclear and appears to be very limited.

**4.5 Relevance for Norwegian policy and future potential**

IEH is in several ways a very relevant organization for Norad and the Norwegian government. With regards to Norad, we note that the program for private sector development has as one of its goals to “transfer and develop competence, knowledge and technology locally”. IEH activity fits well with this, if we disregard the part about technology. In the Ministry of Foreign Affairs White Paper 1 S (2012-2013), it is underlined that one of the main goals of this program for 2013 is to increase “trade related competence” in developing countries. In terms of geographical priorities, however, IEH’s activities do not presently fit well as the priority countries for Norad are poorer developing countries.

IEH’s work is clearly relevant for the Norwegian government’s policies and initiatives related to increasing trade with developing countries and employing capital in a manner promoting sustainable development (White Paper 13, 2008-2009), CSR in a globalized economy (White Paper 10, 2008-2009), as well as labor conditions and mainstreaming environmental and social responsibility in public procurement.

When considering IEH’s potential role in the wider framework of the Norwegian government’s engagement on trade and CSR issues in an Indian context, several issues stand out that may have general value. First of all, IEH’s level of activity in India is very small. IEH is also conscious to keep its activities on the ground separate from more public processes, to ensure that participants feel free to communicate freely and use the
occasion to discuss issues on their own terms. Innovation Norway (IN) in Delhi has twice asked to be present at the trainings in Delhi and been denied for this reason. IN in Delhi is carrying out a number of CSR-related activities and there has been some contact between IN and IEH, where IEH has commented on annual briefs and is also involved concerning arrangement of a CSR conference in India in the spring 2013. This is an example of synergy and cooperation, although on a limited scale.

At present, the overall picture is that IEH is not really integrated with the portfolio of CSR-related activities carried out or supported by the Norwegian embassy and IN in India. The cooperation between the Confederation of Norwegian Enterprise (NHO) and the largest Indian business association FICCI is an example of another platform it could be very relevant for IEH to link up with, in order to achieve a concerted effort with scale in India. At present, however, we cannot see that IEH has the capacity and organizational systems to be able to engage consistently on such a deeper and broader level.

IEH was started by Norwegian companies and NGOs and have organizations such as employer organization Virke, labor organization LO and Norwegian Church Aid on its board. If IEH is to play a role in the wider context of Norwegian CSR and development policy internationally, such work should in our opinion to a larger extent than today be driven and financed by IEH’s members – if they actually want it.
5 Members evaluation of IEH’s relevance as a resource centre

5.1 Findings of the 2012 web survey

A web-survey was sent out to all 12 members in November 2012. 70 members responded, which is 56% of the total group. 51 business members answered, thereby constituting 73% of the respondents and 54% of all business members. In general we may assume that the more active members replied, so that replies tend to give an impression of a higher level of engagement and activity than what is the average among members. Note that we will not here comment on members’ experience with IEH’s work in developing countries, as this was a subject in the previous chapter.

The results of the web survey are presented in detail in Appendix 2. The 2012 survey gives a highly positive impression of members’ evaluation of IEH as a resource center, in terms of relevance, quality and service level.

There is a very high match between the priorities of respondents and the services IEH offer. Most respondents point to three issues as their main priorities the next three years:

- Contribute to decent work conditions 81%
- Contribute to non-involvement in child or forced labor 60%
- Contribute to sustainable global trade 43%.

The areas in which most respondents report that IEH’s services largely or totally cover their needs overlap with these categories: “Contribute to non-involvement in child or forced labor” (81%), “Contribute to decent work conditions” (80%), “Strengthen the public profile of the company” (59%), and “Contribute to sustainable global trade” (57%).

Interestingly, in the web-survey conducted in 2009 the same three priority areas were highlighted by members, indicating a consistency in the priorities and demand for services of the members. 80% of respondents answered “no” when asked if they would like IEH to offer other services to its members compared with today.

The survey does, however, indicate that many members would like IEH to strengthen services related to environment. 45% of respondents in the 2012 survey agreed with the statement that “IEH should strengthen its offering and focus on environmental management in the supply chain”. 10% disagreed. Again we see consistency with the 2009 web survey, where 56% agreed with this statement and 13% disagreed.

Respondents report that the quality of services they receive is generally high: Out of ten listed activities covering the main areas of IEH’s work, 40-60% of respondents consistently scored the quality of IEH’s work as “high” or “very high”. The average percentage of respondents ranking IEH’s work as “poor” or “very poor” in quality with regards to the ten listed activities were 7,5%, with 11% being the highest negative score. Around 25%-35% did not have an opinion with regards to the quality of different services, which may be explained by the fact that the person filling out the form on behalf of the enterprise may not always be the same person who would make use of different IEH services.
The survey also indicates that members generally are very content with IEH. When presented with 5 statements illustrating a number of ways members may be satisfied with IEH services, about 75%-80% of respondents throughout answered “agree” or “highly agree”. The statements were: “IEH has the competence necessary”, “I am happy with the services and tools IEH offers”, “IEH provides us with the practical tools we need to promote ethical trade”, “Without help and assistance from IEH we would not to the same extent succeed in our work on ethical trade”.

The 2009 web-survey contained practically the same statements, also with dominantly positive scores (60%-80%). Some of the negative scores were about 10% higher than in 2012, such as 18% disagreeing with the statement that “Without help and assistance from IEH we would not succeed to the same extent” and with the statement “IEH membership provides us with access to necessary resources and tools”. Statistically the data is too weak due to participation of only about 50-60% of the members in the two surveys, but the available data by itself indicates that IEH has improved its services in the period 2009-2012.

5.2 Feedback from annual member reports (2010 and 2011)

In 2010, 74 members (of a total 119) submitted an annual report to IEH. When commenting on IEH’s performance members highlighted the following main areas: High level of service (35%), high level of competence (20%), communication work (11%), useful tools and resources (6%), courses and trainings (4%), committed staff (4%).

In 2011, 80 members (of a total 124) submitted an annual report to IEH. When commenting on IEH’s performance members highlighted the following main areas: High level of service (33%), high level of competence (21%), useful tools and resources (12%), courses and trainings (8%), committed staff (8%), communication work (8%).

The member reports for 2010 and 2011 contain a much smaller number of critical comments to IEH’s services, than positive comments (ref. above). The critical comments do not concentrate around specific issues and often concern details. There are a few examples of SMEs noting that all resources and tools are not adapted to the situation of SMEs, but this point is not widely raised by the SME members.

In general, the member reports for 2010 and 2011 confirm the impression from the web survey 2012, that IEH in a competent manner meets the core needs of the members.
6 Performance analysis

6.1 Scope of activities
IEH’s work is organized in five programs with objectives as stated in Section 3.4., with the following range of activities:

1. Strengthening support for ethical trade through increasing membership
   a. Arranging recruitment seminars
   b. Individual contacts and meetings with potential members
2. Support services for members
   a. Advisory services according to need
   b. Training courses for members
   c. Development of tools for mainstreaming of ethical trade issues, such as the risk-mapping tool RAID and the Local Resources Network
3. Promoting decent working conditions in production countries
   a. Developing and distributing the Good Practice Guide
   b. Conducting seminars for producers
4. Information and communication about ethical trade
   a. Media and campaign work
   b. Knowledge and resource hub for interested parties
5. Policy work aimed at political processes and frameworks
   a. Ethical criteria in public procurement

6.2 Results compared to objectives
The general objectives of the five programmes referred to in Section 4.1 are stated in Section 3.4. More specific objectives are stated in the IEH - Norad agreement, see Section 3.2. In this section we shall relate IEH’s results to the objectives.

1. Strengthening support for ethical trade through increasing membership
In the agreement a significant increase in IEH membership is quantified at 20% per year. The actual development of IEH membership is illustrated in the figure below (per August 2012):

![Graph showing Medlemsvekst 2000 - 2012 (Aug.)](image)

The growth in membership was 5 % in 2010, 4 % in 2011 and 1.6 % in 2012 (by end of the year). This is much less than the target. IEH explains that since 2009, 45 new members have been recruited while 34 have left the organization, resulting in a net growth of 11 members in three years.

In the report to Norad for the period 2010-2012 (Aug. 2012), IEH state that the recruitment of members "has been less than originally planned, but still maintained at an acceptable level". IEH argues that the development is satisfactory since the organization’s capacity to serve the members is limited. We question this conclusion. First of all, there is a large target group in Norway of companies as well as public procurement organizations that would be candidates for membership and IEH’s current membership numbers are small in this context. If opportunities to increase membership numbers are not seized, our opinion is that IEH will fail their objectives, see Section 3.1.

New members will result in increased revenues through membership fees. It is up to IEH to balance the fee structure and level, as well as the service level, in such a way that the membership fees cover the cost of membership services - and a contribution to other programmes as well. IEH changed the fee structure in 2010 in order to become more self-sufficient. IEH also notes that mostly smaller company members have left in the period and that larger companies have joined, something which contributes to increased cost-effectiveness. By the end of 2012, the fee structure does not seem to fully match the ambition level of IEH.

These are important strategic issues that need to be considered by the IEH Board. Our recommendation is to maintain the previous strategy of growth.

2. Support services for members

IEH has pointed out that the organization considers the program goals in the Development Plan 2010-2013 unrealistic, as in the case of the membership goals. Still, the goals and data provide interesting and valuable information. The general picture is that IEH is competent in serving IEH members, but to a limited degree (and below set goals) has been able to get relevant members to actually implement measures to improve conditions in supply chains.

The table below compares original targets with actuals. With regards to members’ experience of the quality of the services received from IEH the organization generally scores high and in line with targets. The member survey from November 2012 confirms this. The % of members who have anchored the work on ethical trade is very high throughout and more or less in line with targets. This is not surprising, however, as such an anchoring would normally be something a company carries out before taking the step to become an IEH member, with IEH membership often being a result of this.

There is a target and indicator meant to convey the outcome of IEH’s member service outputs, through members rating of their own progress. However, unfortunately the data is weak and the situation highlights the problems arising from IEH not having a proper result-based management programme with a monitoring and evaluation programme. The outcome of IEH’s membership services on member’s work on ethical issues broadly speaking is thus unclear and we strongly recommend that IEH establish a consistent monitoring system to measure this in the future.
IEH has failed to reach the targets related to members implementing measures to improve conditions in supply chains, at least for 2010 and 2011 (data for 2012 is still not available). The target only concerns company members who have direct contact with producers. IEH’s goal has been to increase the percentage in this group which implements targets from 53% in 2009 (baseline) and gradually up to 60% by 2012. The actual development has been negative, with the percentage falling to 43% in 2010 and 2011. Also the indicator for members’ use of tools, such as RAID, to map and identify ethical risks in their supply chains, show low and below target penetration. By 2011, about 19% of the total membership mass was using such tools (the target was 40%). The relatively low level of membership engagement in actually addressing and improving conditions in the supply chain must be considered a fundamental problem, since a core purpose of IEH is to enable members to improve conditions in the supply chain.

### Goals and indicators for the member service program 2010-2013 and actual 2012

(Ref. Virksomhetsplanen 2010-2013, and data received from IEH)

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Target 2010</th>
<th>Actual 2010</th>
<th>Target 2011</th>
<th>Actual 2011</th>
<th>Target 2012</th>
<th>Actual 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average score on IEH delivery from all members (7 = max)</td>
<td>5.4</td>
<td>5.39</td>
<td>5.5</td>
<td>5.45</td>
<td>5.6</td>
<td>**</td>
</tr>
<tr>
<td>Average score of assessment of own progress by members (4 = max)</td>
<td>2.2</td>
<td>2.13</td>
<td>2.3</td>
<td>1.6*</td>
<td>2.4</td>
<td>**</td>
</tr>
<tr>
<td>% of members who have anchored the work on ethical trade in the company strategy</td>
<td>95%</td>
<td>96%</td>
<td>96%</td>
<td>92%</td>
<td>97%</td>
<td>**</td>
</tr>
<tr>
<td>% of company members (&gt;1 year) who have implemented measures for producers (only members with direct contact with producers)</td>
<td>55%</td>
<td>43%</td>
<td>57%</td>
<td>43%</td>
<td>60%</td>
<td>**</td>
</tr>
<tr>
<td>Number of members using RAID or other tools</td>
<td>20</td>
<td>19</td>
<td>40</td>
<td>19</td>
<td>100</td>
<td>**</td>
</tr>
</tbody>
</table>

*A new report form in 2011 means that this number is not directly comparable.

** The data is taken from the reports of members and report for 2012 have still not been received.

Note that since Norad does not directly support this program, IEH has not reported any revised targets related to the program to Norad in the annual meetings.

### 3. Promoting decent working conditions in production countries

See Section 4.2 above.
4. Information and communication about ethical trade

The agreement between IEH and Norad specifies the following objective: *IEH is a leading resource centre for information and expertise on ethical trade*. Activities such as information campaigns, updated websites and social media profiles are specified. Two indicators are included: *(1) Knowledge of IEH and ethical trade, and (2) Number of subscribers on newsletters.*

Knowledge of IEH has not been measured, but increasing activity on social media (Facebook, Twitter) indicates that knowledge may improve, but so far only 500 - 600 followers are registered on these media.

The development of subscribers on newsletters has developed as follows:

<table>
<thead>
<tr>
<th>Newsletters</th>
<th>2010</th>
<th>2011</th>
<th>2012 (Actual per August)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Target (ref. Development Plan 2010 - 2013)</td>
<td>1200</td>
<td>1600</td>
<td>2500</td>
</tr>
<tr>
<td>Revised target (ref. IEH report for 2010 - 2012)</td>
<td></td>
<td></td>
<td>1200</td>
</tr>
<tr>
<td>Actual</td>
<td>1100</td>
<td>1040</td>
<td>1200</td>
</tr>
</tbody>
</table>

We have noted that the targets for newsletters were modified during the programme period. The Development Plan budgets for the information activities are NOK 1.7 - 2.0 million per year.

We conclude that the ambitious growth in the Development Plan has not been realized, but that the revised goal for newsletters for 2012 (set in 2011) is reached. The decrease from 2010 to 2011 is due to removing "cold" subscribers.

5. Policy work aimed at political processes and frameworks

The agreement between IEH and Norad does not specify any objectives, activities or indicators for this programme.

The objective stated in the Development Plan 2010 - 2013 is: *Norwegian public authorities promote ethical trade in their own activities and policies*. Three indicators are specified, with the following objectives for 2013:

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Objective</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Requirements to reporting of social responsibility is included in the legislation for accounting</td>
<td>Approved</td>
</tr>
<tr>
<td>B. The public sector include ethical requirements in procurement</td>
<td>Approved</td>
</tr>
<tr>
<td>C. An independent OECD contact point has been established and is functioning</td>
<td>Functioning</td>
</tr>
</tbody>
</table>

IEH’ report to Norad for 2010-2012 (per August 2012) does not comment on results for this programme. Neither do the annual reports for 2010 or 2011. In written communication, IEH states that objective C has been achieved, while objectives A and B have not been achieved. With regards to B, some public institutions (such as IEH
member Helse Sør-Øst) have begun to apply ethical standards in procurement. This is still not mainstreamed in public sector, however.

### 6.3 Are the ambitions for IEH’s activities in line with its economic resources?

In this section we shall relate actual development of IEH to the Development plan for IEH 2010 - 2013 and annual budgets. A summary is included in the table below.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Strengthening support for ethical trade through increasing membership</td>
<td>885</td>
<td>846</td>
<td>510</td>
<td>885</td>
<td>460</td>
<td>361</td>
</tr>
<tr>
<td>2. Support services for members</td>
<td>3,289</td>
<td>2,247</td>
<td>2,774</td>
<td>3,453</td>
<td>2,752</td>
<td>1,897</td>
</tr>
<tr>
<td>3. Promoting decent working conditions in production</td>
<td>2,550</td>
<td>1,133</td>
<td>907</td>
<td>2,841</td>
<td>1,469</td>
<td>1,423</td>
</tr>
<tr>
<td>4. Information and communication about ethical trade</td>
<td>1,720</td>
<td>1,428</td>
<td>1,720</td>
<td>1,832</td>
<td>2,072</td>
<td>2,332</td>
</tr>
<tr>
<td>5. Policy work aimed at political processes and frameworks</td>
<td>453</td>
<td>373</td>
<td>142</td>
<td>482</td>
<td>115</td>
<td>70</td>
</tr>
<tr>
<td><strong>Total programme cost</strong></td>
<td>8,897</td>
<td>6,027</td>
<td>6,053</td>
<td>9,493</td>
<td>6,868</td>
<td>6,083</td>
</tr>
<tr>
<td>Administration cost</td>
<td>547</td>
<td>1,547</td>
<td>1,453</td>
<td>574</td>
<td>1,591</td>
<td>1,645</td>
</tr>
<tr>
<td><strong>Total costs</strong></td>
<td>6,058</td>
<td>9,444</td>
<td>7,574</td>
<td>7,506</td>
<td>10,067</td>
<td>8,459</td>
</tr>
</tbody>
</table>

We note that the total scope of activities, according to the development plan, was supposed to increase from NOK 6 million to NOK 9.4 million from 2009 to 2010. This amounts to a 56 % increase in one year, and a further increase to NOK 10 million was planned for 2011. The plan is part of IEH’s application to Norad dated 26 March 2010, when the accounts for 2009 were available. We consider the planned increase in total activity as unrealistic. A brief study of the figures by IEH - or Norad - would have revealed this. We further note that IEH’s annual budget for 2010 was NOK 7,574,000.

Further studies of the budget process in 2010 show that the scope of the development plan was maintained in the contacts with Norad, at least until 5 May, when the minutes of a meeting between Norad and IEH on 3 May were distributed. In the agreement for 2010 - 2012, signed on 30 June, the budget for the activities to be supported by Norad was reduced from NOK 3,848,384 to NOK 2,209,000. We assume that the overall budget as well was reduced as part of this process. The total change involved a reduction of programme costs for 2010 of as much as 32 %, while administration costs were increased by 165 %. These are serious changes, which are not commented upon by neither IEH nor Norad in documentation.

The outputs, activities and indicators of the development plan were, to a large extent, quoted in the agreement, and the development plan was rather ambitious. The outcome of the budget process during the first half of 2010, was that a gap arose between the agreement, based on the development plan, and the financial resources of IEH. This may be considered a root cause of IEH’s problems with meeting its contractual commitments.
towards Norad in the period. The plan and budget IEH submitted to Norad for 2011 is more realistic, and actual performance is better in line with the budget. (Also for 2010 performance is well in line with the budget, but much of the year had elapsed before the budget was concluded.)

A general consequence of the planning process in 2010 was that the goals of the result based management system had been blurred. What was the target: The unrealistic objectives of the development plan, or the more loosely specified objectives (at least for 2010) of the annual plan? Further comments to the result based management system are included in Section 3.5. For the evaluators this situation also presents a problem: Is IEH to be evaluated with reference to the development plan, which was the basis for the application to Norad and the textual part of the agreement - or with reference to the budgets which indicate lower ambitions? Our approach has been to refer to both.

A lesson learned from the process described above is that both parties should be aware of the link between the ambitions described in a plan or agreement, and the financial resources made available. When budgets are reduced, the ambition level has to follow. The agreement should be amended in order to maintain an orderly relation between the parties.

From 2010 the accounts of IEH have been broken down on programme level. This is commendable. The breakdown is not available to us for 2009, and we assume that programme budgeting was new to the organization in 2010.

6.4 Gender considerations and risk of corruption

In the Code of Conduct, IEH refers to the ILO convention (no. 100 and 111) as well as UN's Convention on the Elimination of All Forms of Discrimination against Women (1979). Gender issues are highly relevant in work to improve conditions in supply chains, as women, minorities and children are more often exposed to unfair and/or illegal working conditions.

From what we can see, IEH has to a small degree operationalized a focus on gender in its activities. The Development Plan 2010-2013 does not have a gender strategy or considerations about how IEH plan to work with and achieve results related to gender. The IEH report to Norad for 2010-2012 does not contain any reporting on how IEH has addressed gender in the period. The IEH member reporting does not include reporting related to gender issues. As we have pointed out earlier (Section 4.4), IEH does not address gender issues specifically in the trainings carried out in developing countries.

We recommend that IEH strengthen its focus on gender, explicitly operationalizing its gender-related goals and principles in the work towards and with members as well as in producing countries. IEH ought to include gender issues as a topic for members to report on and include indicators for measuring outputs, outcomes and impact related to gender in producer countries in the strategic plan for 2013 to 2015.

Prevention of corruption

IEH is a small and transparent organisation with a limited cash flow. There are few suppliers and simple agreements between IEH and their suppliers. IEH do not have
customers and the revenues are mainly in the form of membership fees paid according to a set schedule, invoiced every year.

In producing countries, consultants are hired on time-bound contracts do deliver trainings, and costs related to venue and food/drink are documented. No per diems or travel costs are covered by IEH. The risk for corruption related to these forms of activities in developing countries is generally low.

The accounting and financial control system is according to Norwegian legislation. In addition to regular financial accounts IEH also keep activity accounts related to their five programme areas. IEH’ accounts are kept by the authorised accountant RSM Hasner AS. The independent auditor RSM Hasner AS audits the accounts, which are considered and approved by the Board and finally approved by the annual meeting of IEH members.

In our view there is no indication that IEH is exposed to corruption. The organization’s financial control system is in line with Norwegian legislation and regular practices.
References

- IEH (2011): Typisk norsk å være naiv?
- IEH (no date): Code of Conduct.
- IEH (no date): Prinsiperklæring for Initiativ for Etisk Handel (IEH).
- IEH & INFACT Global Partners: Training course summary China (Shenzhen) 2011.
- IEH, INFACT Global Partners and Level works: Training course summary China (Guangzhou and Shanghai) 2012.
- IEH, Level Works and In Fact Solutions: Training course summary India 2011.
Appendix 1: List of interviewees and people consulted with

IEH, partners and stakeholders

- Bhatia, Arti. Market adviser, Innovation Norway, New Delhi, India.
- Bondevik, Per. Manager IEH.
- Chakrabarti, Manas. Learning Consultant, New Delhi, India.
- Foss, Stine. Project Coordinator, IEH.
- Lefebure-Henriksen. Head of CSR in India, Varner gruppen. IEH board member.
- Lutnæs, Knut. Chair of the board of IEH. Representative of Coop.
- Mukherjee, Maitryee. Instructional Design Leader, Fair Labor Organization, Gurgaon, India.
- Nævdal, Harald. Head of Unit, Innovation Norway New Delhi, India.
- Stenvold, Thoralf. Counsellor, Norwegian Embassy in New Delhi, India.
- Singh, Vinita. CSR consultant in New Delhi.
- Tollefsen, Petter W. Second secretary, Norwegian embassy in New Delhi, India.
- Winum, Gunelie. Project Manager International Activities, IEH.

Interviewed training participants in India 2011(*) and 2012(**)

- Agarwal, Vikas. BM (India). (*)
- Bhatnagar, Sanjeev. Tryshoera India Pvt Ltd. (**)
- Bilal, Mohammad. Al Uniqua Impex. (**)
- Biswa, Biswamber. Fat Face ltd. (**)
- Guptsa, Anil Kumar. CTA Apparales Pvt. Ltd. (**)
- Joshi, Akhilesh. Ess & Bee International. (**)
- Juneja, Suparna. Orient Craft Ltd. (**)
- Khan, Mohd. Yunus. Al Unique Impex (*/**)
- Kumar, Ashok. Supreme Index. (*)
- Kumar, Manish. Afflatus International (**)
- Kumar, Naveen. MHK Exports PVT Ltd. (**)
- Kumar, Sanjay. Vizjione. (**)
- Mishra, Ajay Kumar. CTA Apparales PVT Lrtld. (**)
- Misri, Sunita. MHK Exports Pvt. Ltd. (**)
- Shahnawaz, Ahmed. S.K. Foreign Trade Services. (*/**)
- Sharma, Deepak. Primark. (*)
- Simon, Terence G. KappAhl Far East Ltd India (**)
- Smitha, x. Scotts Garments Ltd. (*)
- Tripathi, Manish. Ess&Bee International.
- Verma, Deepti. Dolphin Apparels (*)
Appendix 2: Web-survey of IEH members (in Norwegian)

Den elektroniske spørreundersøkelsen ble sendt ut til alle medlemmer 1. november 2012 og ble avsluttet 13. november. Spørreundersøkelsen ble sendt til den kontaktperson som medlemmene har registrert hos IEH. Hvert medlem ble purret to ganger i løpet av undersøkelsesperioden.

Spørreundersøkelsen ble sendt ut til 126 medlemmer og vi mottok 70 svar, noe som gir en svarprosent på 56%. I det følgende er hele spørreundersøkelsen samt svarene i figurer. Bemerk at en respondent utgjør 1,25%, når svarerne oppgjøres i %.

1. Hvor mange årsverk er det i din virksomhet?

![Diagram](image1)

- 36%: 1-50 årsverk og/eller <80 mill. i omsetning (liten bedrift)
- 29%: 50-250 årsverk og/eller 80-399 mill. i omsetning (mellomstor bedrift)
- 36%: +250 årsverk og/eller >400 mill. i omsetning (stor bedrift)

2. Hvilken funksjon/rolle har du i virksomheten?

![Diagram](image2)

- 34%: CSR-ansvarlig
- 31%: Leder
- 17%: Innkjøp/logistikk
- 13%: Annet
- 1%: Salg
- 1%: Informasjon
- 1%: Manglende svar

Den elektroniske spørreundersøkelsen ble sendt ut til alle medlemmer 1. november 2012 og ble avsluttet 13. november. Spørreundersøkelsen ble sendt til den kontaktperson som medlemmene har registrert hos IEH. Hvert medlem ble purret to ganger i løpet av undersøkelsesperioden.

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- 13%: Annet
- 1%: Salg
- 1%: Informasjon
- 1%: Manglende svar

Vista Analyse AS
3. Hvilken bransje tilhører din virksomhet?

<table>
<thead>
<tr>
<th>Bransje</th>
<th>Prosent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organisasjon</td>
<td>14%</td>
</tr>
<tr>
<td>Offentlig sektor</td>
<td>11%</td>
</tr>
<tr>
<td>Møbler / Interiør</td>
<td>10%</td>
</tr>
<tr>
<td>Profilartikler / Gaver</td>
<td>10%</td>
</tr>
<tr>
<td>Sport</td>
<td>7%</td>
</tr>
<tr>
<td>Dagligvare</td>
<td>6%</td>
</tr>
<tr>
<td>Industriproduksjon</td>
<td>6%</td>
</tr>
<tr>
<td>Infrastruktur / Eiendom</td>
<td>3%</td>
</tr>
<tr>
<td>Leker</td>
<td>3%</td>
</tr>
<tr>
<td>Tekstil / Mote / Fottøy</td>
<td>2%</td>
</tr>
<tr>
<td>Elektronikk</td>
<td>1%</td>
</tr>
<tr>
<td>Reiseliv / Turisme</td>
<td>1%</td>
</tr>
<tr>
<td>Storhusholdning</td>
<td>1%</td>
</tr>
<tr>
<td>Manglende svar</td>
<td>4%</td>
</tr>
</tbody>
</table>

4. Hvilket år ble din virksomhet medlem av IEH?

<table>
<thead>
<tr>
<th>År</th>
<th>Prosent</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>7%</td>
</tr>
<tr>
<td>2001</td>
<td>4%</td>
</tr>
<tr>
<td>2002</td>
<td>3%</td>
</tr>
<tr>
<td>2003</td>
<td>6%</td>
</tr>
<tr>
<td>2004</td>
<td>6%</td>
</tr>
<tr>
<td>2005</td>
<td>3%</td>
</tr>
<tr>
<td>2006</td>
<td>7%</td>
</tr>
<tr>
<td>2007</td>
<td>1%</td>
</tr>
<tr>
<td>2008</td>
<td>1%</td>
</tr>
<tr>
<td>2009</td>
<td>11%</td>
</tr>
<tr>
<td>2010</td>
<td>16%</td>
</tr>
<tr>
<td>2011</td>
<td>7%</td>
</tr>
<tr>
<td>2012</td>
<td>1%</td>
</tr>
<tr>
<td>Manglende svar</td>
<td>4%</td>
</tr>
</tbody>
</table>

5. Hvilken type leverandørkontakt har dere?

<table>
<thead>
<tr>
<th>Kontaktprosent</th>
<th>Prosent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kontakt både med produsenter og mellomledd</td>
<td>56%</td>
</tr>
<tr>
<td>Direkte kontakt med produsenter</td>
<td>20%</td>
</tr>
<tr>
<td>Kontakt med mellomledd (agenter/importører)</td>
<td>17%</td>
</tr>
<tr>
<td>Vi har ikke kontakt med mellomled og/eller produsenter</td>
<td>7%</td>
</tr>
</tbody>
</table>
6. Hva anser du å være din virksomhets tre viktigste prioriteter med etisk handel de neste tre år?

<table>
<thead>
<tr>
<th>Prioritet</th>
<th>Prosent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bidra til anstendige arbeidsforhold i leverandørkjeden (lønn, arbeidstid, ansettelsesforhold)</td>
<td>81%</td>
</tr>
<tr>
<td>Bidra til at man ikke er delaktig i barne-, tvangs- eller slavearbeid</td>
<td>60%</td>
</tr>
<tr>
<td>Bidra til bærekraftig global handel</td>
<td>43%</td>
</tr>
<tr>
<td>Styrke kvalitet og leveringssikkerhet</td>
<td>37%</td>
</tr>
<tr>
<td>Styrke virksomhetens omdømme</td>
<td>29%</td>
</tr>
<tr>
<td>Innføre miljøtiltak i leverandørkjeden</td>
<td>19%</td>
</tr>
<tr>
<td>Våre kunder forventer det</td>
<td>11%</td>
</tr>
<tr>
<td>Oppnå konkurransefortrinn</td>
<td>11%</td>
</tr>
<tr>
<td>Annet</td>
<td>3%</td>
</tr>
</tbody>
</table>

7. I hvilken grad matcher IEHs tilbud din virksomhets behov for å nå målsettingene knyttet til etisk handel?

<table>
<thead>
<tr>
<th>Målsetting</th>
<th>1%</th>
<th>2%</th>
<th>3%</th>
<th>4%</th>
<th>5%</th>
<th>Fullstendig</th>
<th>Manglende svar</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Styrke virksomhetens omdømme</td>
<td>7%</td>
<td>27%</td>
<td>33%</td>
<td>26%</td>
<td>7%</td>
<td>1%</td>
<td></td>
</tr>
<tr>
<td>2. Styrke kvalitet og leveringssikkerhet</td>
<td>11%</td>
<td>16%</td>
<td>30%</td>
<td>23%</td>
<td>11%</td>
<td>9%</td>
<td></td>
</tr>
<tr>
<td>3. Innføre miljøtiltak i leverandørkjeden</td>
<td>9%</td>
<td>19%</td>
<td>37%</td>
<td>20%</td>
<td>7%</td>
<td>9%</td>
<td></td>
</tr>
<tr>
<td>4. Bidra til anstendige arbeidsforhold i leverandørkjeden (lønn, arbeidstid, ansettelsesforhold)</td>
<td>4%</td>
<td>10%</td>
<td>41%</td>
<td>39%</td>
<td>1%</td>
<td>1%</td>
<td></td>
</tr>
<tr>
<td>5. Bidra til at man ikke er delaktig i barne-, tvangs- eller slavearbeid</td>
<td>4%</td>
<td>11%</td>
<td>41%</td>
<td>40%</td>
<td>3%</td>
<td>3%</td>
<td></td>
</tr>
<tr>
<td>6. Bidra til bærekraftig global handel</td>
<td>1%</td>
<td>10%</td>
<td>27%</td>
<td>34%</td>
<td>23%</td>
<td>4%</td>
<td></td>
</tr>
<tr>
<td>7. Fordi våre kunder forventer det</td>
<td>11%</td>
<td>19%</td>
<td>41%</td>
<td>16%</td>
<td>3%</td>
<td>10%</td>
<td></td>
</tr>
<tr>
<td>8. Fordi våre kunder forventer det</td>
<td>4%</td>
<td>21%</td>
<td>33%</td>
<td>21%</td>
<td>7%</td>
<td>13%</td>
<td></td>
</tr>
<tr>
<td>9. Annet</td>
<td>4%</td>
<td>4%</td>
<td>6%</td>
<td>83%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
8. Ranger følgende tjenester etter kvalitet. Svar på en skala fra 1-5, hvor 1 betyr "meget lav kvalitet" og 5 "meget høy kvalitet".

<table>
<thead>
<tr>
<th>Tjeneste</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>Manglende svar</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rådgivning i enkelsaker</td>
<td>3%</td>
<td>26%</td>
<td>41%</td>
<td>23%</td>
<td>7%</td>
<td></td>
</tr>
<tr>
<td>Åpne nettsider og IEHs nyhetsbrev</td>
<td>4%</td>
<td>30%</td>
<td>40%</td>
<td>20%</td>
<td>6%</td>
<td></td>
</tr>
<tr>
<td>Opplæring/kurs i Norge</td>
<td>7%</td>
<td>23%</td>
<td>46%</td>
<td>19%</td>
<td>6%</td>
<td></td>
</tr>
<tr>
<td>Maler, ressurser og verktøy på medlemssider</td>
<td>3%</td>
<td>6%</td>
<td>24%</td>
<td>37%</td>
<td>23%</td>
<td>7%</td>
</tr>
<tr>
<td>Seminar/nettverksmøter i IEH-regi</td>
<td>1%</td>
<td>9%</td>
<td>19%</td>
<td>51%</td>
<td>17%</td>
<td>3%</td>
</tr>
<tr>
<td>Medlemssider som krever innlogging</td>
<td>1%</td>
<td>6%</td>
<td>30%</td>
<td>44%</td>
<td>10%</td>
<td>9%</td>
</tr>
<tr>
<td>Kurs i produsentland (Kina, India, Vietnam)</td>
<td>1%</td>
<td>10%</td>
<td>30%</td>
<td>26%</td>
<td>17%</td>
<td>16%</td>
</tr>
<tr>
<td>Håndbok i forbedringsarbeid (Good Practice Guide) på lokalt språk for produsenter</td>
<td>1%</td>
<td>16%</td>
<td>36%</td>
<td>33%</td>
<td>13%</td>
<td>11%</td>
</tr>
<tr>
<td>Myndighetskontakt og påvirkning</td>
<td>1%</td>
<td>10%</td>
<td>31%</td>
<td>34%</td>
<td>11%</td>
<td>11%</td>
</tr>
<tr>
<td>Nettverk av lokale ressurser/organisasjoner (Local Resources Network)</td>
<td>1%</td>
<td>7%</td>
<td>37%</td>
<td>29%</td>
<td>11%</td>
<td>14%</td>
</tr>
</tbody>
</table>
9. Ranger følgende tjenester etter viktighet. Svar på en skala fra 1-5, hvor 1 betyr "meget lav viktighet" og 5 "meget høy viktighet".

<table>
<thead>
<tr>
<th>Tjeneste</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>Manglende svar</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rådgivning i enkeltsaker</td>
<td>6%</td>
<td>10%</td>
<td>36%</td>
<td>46%</td>
<td>3%</td>
<td></td>
</tr>
<tr>
<td>Opplæring/kurs i Norge</td>
<td>3%</td>
<td>14%</td>
<td>40%</td>
<td>39%</td>
<td>3%</td>
<td></td>
</tr>
<tr>
<td>Maler, ressurser og verktøy på medlemssider</td>
<td>7%</td>
<td>17%</td>
<td>30%</td>
<td>40%</td>
<td>6%</td>
<td></td>
</tr>
<tr>
<td>Myndighetskontakt og påvirkning</td>
<td>6%</td>
<td>19%</td>
<td>37%</td>
<td>31%</td>
<td>7%</td>
<td></td>
</tr>
<tr>
<td>Seminar/nettverksmøter i IEH-regi</td>
<td>1%</td>
<td>3%</td>
<td>23%</td>
<td>47%</td>
<td>23%</td>
<td>3%</td>
</tr>
<tr>
<td>Håndbok i forbedringsarbeid (Good Practice Guide) på lokalt språk for produsenter</td>
<td>1%</td>
<td>7%</td>
<td>24%</td>
<td>31%</td>
<td>26%</td>
<td>10%</td>
</tr>
<tr>
<td>Nettverk av lokale ressurser/organisasjoner (Local Resources Network)</td>
<td>1%</td>
<td>4%</td>
<td>29%</td>
<td>37%</td>
<td>20%</td>
<td>7%</td>
</tr>
<tr>
<td>Åpne netsider og IEHs nyhetsbrev</td>
<td>7%</td>
<td>37%</td>
<td>29%</td>
<td>23%</td>
<td>4%</td>
<td></td>
</tr>
<tr>
<td>Medlemssider som krever innlogging</td>
<td>1%</td>
<td>3%</td>
<td>34%</td>
<td>39%</td>
<td>16%</td>
<td>7%</td>
</tr>
<tr>
<td>Kurs i produsentland (Kina, India, Vietnam)</td>
<td>6%</td>
<td>36%</td>
<td>33%</td>
<td>13%</td>
<td>11%</td>
<td></td>
</tr>
</tbody>
</table>

NB: Score viser svar i spennet mellom "meget lav viktighet" og "meget høy viktighet", ikke "meget lav kvalitet" og "meget høy kvalitet" som det anføres i teksten under figuren.

10. Er det andre tilbud som du synes IEH burde tilby sine medlemmer?

<table>
<thead>
<tr>
<th>Ja</th>
<th>Nei</th>
<th>Manglende svar</th>
</tr>
</thead>
<tbody>
<tr>
<td>16%</td>
<td>80%</td>
<td>4%</td>
</tr>
</tbody>
</table>

Vista Analyse AS
11. I hvilken grad er du enig i følgende påstander:

- IEH har den nødvendige kompetanse innenfor etisk handel.
  - 1% 13% 39% 40% 4%
- Jeg er svært godt fornøyd med den service jeg får hos IEH, ressurser og verktøy på medlemsider
  - 3% 14% 47% 31% 4%
- Gjennom IEH har vi tilgang til kurs og annen kompetanseheving som vi har behov for i vårt arbeid med etisk handel.
  - 1% 6% 19% 34% 36% 4%
- Medlemskap i IEH gir oss tilgang til det vi trenger av ressurser og verktøy.
  - 6% 16% 51% 23% 4%
- Uten hjelp og bistand fra IEH hadde vi ikke lykkes i samme grad med vårt etisk handel-arbeid.
  - 1% 11% 20% 26% 36% 6%
- IEH burde styrke sitt tilbud og fokus på miljøstyring i leverandørkjeden.
  - 3% 7% 41% 26% 19% 4%
- Leverandørhåndboken Good Practice Guide er et meget nyttig verktøy for oss.
  - 7% 7% 33% 33% 10% 10%

12. Har deres leverandører deltatt på IEHs kurs for produsenter i Kina, India eller Vietnam?

- Ja 27% 46% 20% 7%

I så fall, hvor? (*ikke prosent her*)

- Kina 18%
- India 4%
- Vietnam 0%
13. Har din virksomhet formidlet leverandørhåndboken Good Practice Guide til mellomledd og/eller produsenter?

<table>
<thead>
<tr>
<th>Ja</th>
<th>Nei</th>
<th>Manglende svar</th>
</tr>
</thead>
<tbody>
<tr>
<td>47%</td>
<td>47%</td>
<td>6%</td>
</tr>
</tbody>
</table>


<table>
<thead>
<tr>
<th>Ja</th>
<th>Nei</th>
<th>Manglende svar</th>
</tr>
</thead>
<tbody>
<tr>
<td>23%</td>
<td>71%</td>
<td>6%</td>
</tr>
</tbody>
</table>

**Kun stilt til de som svarte ja på spørsmål 12 side 8**

15. I hvilken grad er du enig i følgende påstander:

| Leverandører som har vært på IEHs kurs har større forståelse for krav og forventninger i etiske retningslinjer enn leverandører som ikke har deltatt på IEHs kurs. Vi har i liten grad erfart konkrete endringer hos leverandører som har deltatt på IEHs kurs. | 11% | 5% | 21% | 47% | 11% | 5% |
| IEHs kurs i produsentland og leverandørhåndboken Good Practice Guide har hatt konkretposisiv innvirkning på forhold hos våre leverandører. Det er lettere å ha dialog om forbedringer med leverandører som har vært på IEHs kurs enn leverandører som ikke har deltatt på IEHs kurs. Vi har konkrete erfaring med at leverandører som har deltatt på IEHs kurs er mer åpne om utfordringer enn leverandører som ikke har vært på IEHs kurs. | 16% | 37% | 32% | 11% | 5% |
| Vi har konkrete erfaring med at leverandører som har deltatt på IEHs kurs i større grad involverer arbeidere i konkrete forbedringsarbeid etter å ha deltatt på IEHs kurs. Vi har konkrete erfaring med at leverandører bruker leverandørhåndboken Good Practice Guide aktivt i eget forbedringsarbeid. Vi har konkrete erfaring med at leverandører som har deltatt på IEHs kurs har styrket staben for å kunne håndtere etiske krav fra kunder. | 16% | 16% | 42% | 21% | 5% |

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42
Til alle

16. For at vi skal kunne forbedre forhold i våre leverandørkjeder er det viktig at IEH gjennomfører kurs for produsenter i flere land.

17. For at vi skal kunne forbedre forhold i våre leverandørkjeder er det viktig at IEH supplerer nåværende kurs i produsentland med oppfølgingskurs som går mer i dybden på enkelte temaer.
Appendix 3: Interview summary, Indian training participants

2011

The participant list provided by IEH contained 32 named participants and 1 un-named participant. For 3 named participants and the 1 unnamed participant there was no contact information. We sent email to all participants on 27 Nov. and called all participants on 28 Nov (afternoon) and 29 Nov (afternoon).

We received feedback from 8 participants (25%), by email (4) or phone (4), representing 8 different companies (29%). For 9 participants the phone number did not work, and no email reply. For 6 participants no one answered the phone, and no email reply. For 5 participants were not available, and no email reply. 1 participant insisted he did not participate in the training.

<table>
<thead>
<tr>
<th>India 2011: Summary of feedback from participants (8 of 33 – 25%)</th>
<th>Yes</th>
<th>Not really</th>
</tr>
</thead>
<tbody>
<tr>
<td>Do you consider this type of course important?</td>
<td>7</td>
<td>0</td>
</tr>
<tr>
<td><em>Comment:</em> All informants were clear that there is a great need for these types of courses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Did you introduce specific changes at your work place, as a consequence of having attended the course?</td>
<td>6</td>
<td>1</td>
</tr>
<tr>
<td><em>Comment:</em> Most informants noted that they were in process of introducing improvements and that the course contributed to this, but could generally not point to specific issues/actions the course had triggered.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Has/do you believe the Good Practice Guidebook that you received at the course been/will be useful?</td>
<td>5</td>
<td>2</td>
</tr>
<tr>
<td><em>Comment:</em> Most informants noted that the GPG is of high quality, but several pointed out that it is not a very practical tool on the ground.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Would you be interested in participating in another course by ETI going more in depth on specific topics?</td>
<td>5</td>
<td>1</td>
</tr>
<tr>
<td><em>Comment:</em> Most informants were interested in more training on specific topics. The one who was not, referred to the fact that he was in beginning stages and therefore the introduction course served his needs for now.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Other comments about strengths and weakness of ETI’s course:

**Strengths:** A) High quality and competence by organizers. B) Comprehensive agenda.

**Weaknesses:** A) Could have provided more concrete examples/solutions for the Indian context. B) Lack of follow-up: Are recommendations followed up or not? How? Why?
2012

The participant list provided by IEH contained 24 names and provided telephone numbers but no email for contact. We called all participants at least two times on 28. Nov., 29. Nov. and 30. Nov. We were able to contact and interview 14 participants. 6 numbers did not work. 1 person was not available. 1 person nobody answered. For 2 persons there was no phone number.

<table>
<thead>
<tr>
<th><strong>India 2012: Summary of responses from participants (13 of 24 – 54%)</strong></th>
<th><strong>Yes</strong></th>
<th><strong>Not really</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Do you consider this type of course important?</td>
<td>14</td>
<td>0</td>
</tr>
<tr>
<td>Did you/do you plan to introduce specific changes at your work place, as a consequence of having attended the course?</td>
<td>10</td>
<td>3</td>
</tr>
<tr>
<td><strong>Examples mentioned and comment:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Increased dialogue between management and workers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Very few had concrete action points</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Do you believe the Good Practice Guidebook that you received at the course will be useful?</td>
<td>11</td>
<td>1</td>
</tr>
<tr>
<td><strong>Comments:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Many noted that content is of very good quality.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- One interviewee noted that they use the GPG in actual training</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- In general one got the impression that agents like it very much while those in the actual factories find it less practical</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Would you be interested in participating in another course by ETI going more in depth on specific topics?</td>
<td>14</td>
<td>0</td>
</tr>
<tr>
<td><strong>Topics mentioned:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Worker-management dialogue (by several)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Standards and best practice incl. tools for mobilizing workers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Health, Environment and Safety</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Calculate costs and improve dialogue with buyers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Concrete Indian cases that demonstrate the business case</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other comments about strengths and weakness of ETI's course:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Very good for awareness raising</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- High quality content and very useful discussions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Too low attendance given the quality and resources mobilized</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Unmet demand for check-lists and practical implementation tools to reach low management and workers, where changes need to happen</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Training should be conducted regularly and several times a year, not just once</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Lack of follow-up mechanism; no contact point, no opportunity to meet again and discuss progress, no mechanism for reporting or checking progress post-course.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Vista Analyse AS


Våre medarbeidere har meget høy akademisk kompetanse og bred erfaring innenfor konsulentvirksomhet. Ved behov benytter vi et velutviklet nettverk med selskaper og ressurspersoner nasjonalt og internasjonalt. Selskapet er i sin helhet eiet av medarbeiderne.