CASE STUDIES OF INTERVENTION EFFECTIVENESS

A 'First Look' into Improving Buyer-Supplier Engagement to Disrupt the Prevalence of Forced/Bonded Labour in India's Informal RMG Supply Chains

Contents

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<p style="text-align:center; color:red;">Acronyms</p>

BFA	Better Fit Approach
DCAP	Data Collection and Analysis Partner
EU	European Union
FCDO	Foreign, Commonwealth and Development Office
FD	Foreign Donations
FGD	Focus Group Discussion
GFEMS	Global Fund to End Modern Slavery
KII	Key Informant Interview
NGO	Non-Governmental Organisation
SAI	Social Accountability International
SCF	System Change Framework
ToC	Theory of Change
UK	United Kingdom
UN	United Nations
USD	United States Dollars
RMG	Ready-Made Garments

Abstract

Unethical labour practices are rampant in the manufacturing sector, especially in the garment industry which outsources a large portion of its labour to developing countries. This is true for India since it is a hub for the textile industry. Social Accountability International (SAI), a global non-governmental organisation working towards advancing human rights at workplaces, is implementing a comprehensive platform to help stakeholders improve their production capacity planning, purchasing practices, and labour compliance, thus improving overall business practices and reducing the risk of forced labour.

In this context, this report is the first in a two-part learning exercise designed to critically review the SAI intervention and generate lessons and insights that are of practical utility for a wider audience. The 'First Look' case study, essentially, acts as a snapshot of the current status of the project and seeks to understand the extent to which the project is aligned with its articulated Theory of Change. It also documents the progress made, if any, at the preliminary stages of the project. Findings suggest that implementation is on track for the first phase of the project, despite delays caused by the COVID-19 pandemic. Given that it is still early in the project implementation, the bulk of evidence will be assessed in the 'Second Look' case study which will offer a deeper, more comprehensive overview of the intervention.

Introduction

Context

In today's global manufacturing industry, suppliers are often strained beyond their limit by orders they cannot fulfil and deadlines they cannot meet. Increasing consumer demand for a higher volume of cheap clothes, including 'fast fashion', puts pressure on price and lead times, leading local factories to compete for this business at the lowest prices. Because buyers wield disproportionate purchasing power and influence, suppliers often enter into commercial agreements that are difficult if not impossible to meet without imposing harsh or unfair conditions on workers. Common measures include scheduling excessive overtime (well beyond the suppliers' ability to pay overtime wages), illegal wage deductions or delayed payment, constraints on freedom of movement, harassment and intimidation, bringing on additional workers they cannot safely accommodate, and sub-contracting to unauthorised and under-regulated facilities.[1] Suppliers may also seek out workforce (e.g. children, refugees, migrants) whose socio-political and economic marginalisation and vulnerability leave them with little choice but to enter into and accept illegal working conditions.

Poor production-capacity calculations have exacerbated these issues. At most supplier facilities, managers measure their production capacity using only a few metrics, sometimes relying on assumptions rather than data. Common capacity disruptions like worker absenteeism, supply delays, and production bottlenecks are often not factored into the equation, resulting in inaccurate capacity measurements and unrealistic production targets. While suppliers' inaccurate assessment of production capacity causes issues in capacity planning, industry sourcing and compliance experts say that excessive overtime or unauthorised subcontracting are also driven by brands that do not forecast their order needs at all or forecast them poorly.[2]

The Global Fund to End Modern Slavery (GFEMS) is a transformational multi-donor fund that works to forge public-private partnerships and catalyse a comprehensive global strategy to end modern slavery. GFEMS, in an agreement with the UK Foreign, Commonwealth and Development Office (FCDO) has funded projects in three target areas – Ethical Recruitment, Apparel, and Commercial Sexual Exploitation. GFEMS selected a consortium of *Athena Infonomics* and *Itad* to support its review and learning activities for this set of projects.

Scope of study

GFEMS is funding Social Accountability International (SAI), a global non-governmental organisation, to develop an innovative buyer-supplier engagement platform to improve buyer purchasing practices and supplier capacity/production planning to interrupt factors that drive forced/bonded labour in India's informal RMG supply chains. GFEMS has partnered with the *Athena-Itad* consortium to review this intervention in the context of the project Theory of Change (ToC), to measure progress towards a

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[1] SPERI (2018) | Confronting root causes: forced labour in global supply chains. Retrieved from <https://core.ac.uk/download/pdf/145637779.pdf>

[2] Human Rights Watch (2019) | "Paying for a Bus Ticket and Expecting to Fly" Retrieved from <https://www.hrw.org/report/2019/04/23/paying-bus-ticket-and-expecting-fly/how-apparel-brand-purchasing-practices-drive#_ftn9 6>

sustainable model for reduction of the prevalence of modern slavery[3]. The learnings from the project will be used to guide the scalability and efficacy of the intervention.

A case study approach has been followed, allowing a longitudinal perspective to be gained across earmarked components of the project. As these enquiries cannot be formally considered to constitute a traditional and comprehensive baseline-end line assessment, the terms 'First Look' and 'Second Look' case studies have been introduced. Apart from desk reviews, key informant interviews have been conducted with the implementing partners and relevant stakeholders (wherever possible) to gain an in-depth understanding of the project and assess its progress. The project has been evaluated against the Better Fit Approach (BFA) and the Systems Change Framework (SCF) to ascertain the a) quality of the innovation against a diverse set of factors, described below, and, b) nature of the improvement to the status quo of the system.

Project overview

Social Accountability International seeks to address issues related to ordering and capacity in a supply chain via a comprehensive platform that helps suppliers, including those at the lower-tiers, improve their production-capacity planning and labour practices. In turn, suppliers will gain access to buyers who commit to provide business incentives. The key component of this innovation-focused project is the Supplier Capacity Platform that includes (a) a production capacity calculator, which will incorporate an expanded set of indicators such as worker productivity, skill levels, and shift optimisation to help estimate production capacity and improve planning on the buyer as well as the supplier side, and (b) methods to quantify the effects of purchasing practices on supplier production capacity, to help buyers and suppliers better predict supplier capacity and the likelihood of sub-contracting. On this platform, suppliers can showcase their business capabilities and report their production capacity and buyers can book capacity and ensure that their order does not overextend a factory.

The basic Theory of Change (ToC) is that:	
If	a) suppliers/factories and buyers show a willingness to engage, and the hurdles, disincentives, and incentives are determined to onboard and link them via a platform, b) SAI can address gaps in awareness, capabilities and factories gain tools and skills to increase transparency and improve labour practices, and c) the capacity calculator algorithm can make accurate predictions of production capacity, and d) the incentives, tools and skills are enough to get factories to disclose and improve
then	a) Factories are on boarded to the platform, linking them to buyers, and buyers are able to offer better market access and other incentives to on boarded factories b) the tool will be able to accurately perform high accuracy production capacity calculations transparency and market access will increase among buyers and suppliers, including informal suppliers who are committed to improving labour practices
resulting in	workers benefiting from incrementally improved working conditions because:

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[3] As per the WEF, "In the 15 years since a global treaty to combat human trafficking was adopted, modern slavery has gradually taken over as a catch-all term to describe human trafficking, forced labour, debt bondage, sex trafficking, forced marriage and other slave-like exploitation." Source: https://www.weforum.org/agenda/2015/12/what-is-modern-slavery/

	a)	buyers improve purchasing practices with factories that are associated with improved labour practices
	b)	factories improve production planning processes due to increased transparency and visibility, that are associated with improved labour practices
leading to	fewer instances of forced labour[4] in informal ready-made garment supply chains in India	

The key project objective is for workers from onboarded factories to benefit from better working conditions. In the longer-term, this will contribute to a widespread uptake of ethical labour practices and reduce the prevalence of forced labour in informal ready-made garment factories in India.

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[4] The Supreme Court (SC) has ruled in *People's Union for Democratic Rights (PUDR) vs. Union of India* [(1982) 3 SCC 235]: "...Any factor, which deprives a person of choice of alternatives and compels him to adapt one particular course of action may properly be regarded as 'force' and any labour or service which is compelled as a result of such 'force', it would be 'forced labour'..."

"...Where a person provides labour or service to another for remuneration which is less than minimum wage, the labour or service provided by him clearly falls within the scope and ambit of the word `forced labour'"... as described in Article 23 of the Indian Constitution.

Impact of the COVID-19 pandemic

- Following March 2020, as the COVID-19 pandemic peaked and nation-wide lockdowns were announced, buyers and suppliers struggled to commit to participating in the programme because of losses in business and their subsequent attempts to stay afloat. This led SAI to revisit their assumption about the ability of suppliers to see the near-term and immediate benefits of this intervention, which had not been anticipated.

- In early 2021 suppliers that were working at less than optimum capacity faced a strong upsurge of orders. Against this backdrop, although suppliers recognise the value in the project's activities, they are not yet able to prioritise participation while they struggle to meet the demands of new orders.

- Due to the pandemic, the SAI team has been unable to visit factories in-person to collect data, conduct interviews and situational studies, and physically observe the issues faced. While virtual interactions have made it easier to communicate with the head-office personnel for buyers, consulting with and recruiting suppliers has been challenging.

- The development of the algorithm to calculate production was not affected by COVID-19 as the SAI team had already completed most of the relevant background and research work before restrictions were put in place. However, with limited access to suppliers, SAI has struggled to access enough supplier data to validate the accuracy of the algorithm. Long-term accuracy of the algorithm is contingent on the availability and quantity of data received. While the development of the tool will progress, it may take longer to achieve more accurate results. The implementation timeline of the project has been extended with a no cost extension of 5 months.

- This lack of access to suppliers due to the pandemic, has led SAI to explore the idea of using a greater number of suppliers to provide data for shorter periods i.e., a year. SAI has begun collecting data from the suppliers with whom they have already established contact.

Current status (First Look, early March 2021): At present, the SAI team are still creating the first version of the algorithm to calculate production capacity. SAI has adapted for the less than expected quantum of production capacity data to inform the algorithm. They decided to get more in-depth information from the suppliers they have engaged with, including getting archived data and increasing the volume of data across the few interactions that took place. They are continuing consultations with suppliers and trying to make inroads through different avenues such as third-party intermediaries and directly through buyers. They are also being supported by an on-ground team in India to map stakeholders and expand outreach. In order to reach more suppliers, they have revised their communication materials and tools to emphasise the short-term benefits (particularly, positive exposure to buyers), along with longer-term efficiency gains. The SAI team are finalising activities to spread awareness around the need for improved production planning and to train suppliers on how to use the calculator. The calculator aims to improve their the overall production process by helping buyers and suppliers exchange information that will optimise ordering and production systems. Although not funded by GFEMS, the SAI team are in the process of designing a cost-benefit analysis tool that supports decision-making in the production planning process, to supplement the Supplier Capacity Platform. The SAI team will also offer a roundtable series to further incentivise suppliers to

participate by highlighting the innovative aspects of the project and by inviting high-profile speakers who may be influential among suppliers.

Methodology

Research design

Each 'First Look' case study focuses on

a) understanding the project's theory of change as articulated by implementing partners, which may or may not be written down

b) some evidence on specific standards for the services provided by the implementing partners

c) providing contextual information of the current situation before[5] or during an early stage of implementation.

The 'Second Look' case studies will focus on assessing evidence of change, different pathways to change, and other determining contributing and contextual factors. Enquiries into the 'Second Look' case studies will seek to unpack observed behavioural change of stakeholders at the target community and system levels. However, given the timeline of the First and Second Look, the bulk of evidence is likely to be at the output and immediate outcome level, rather than the longer-term outcome and impact level.

The study has used remote data-collection methods[6] to address the following learning questions for the project:

1. How well does the platform work for suppliers as well as buyers? Which segments and features of the platform have worked well or as intended? Can such platforms improve transparency of supply chain capacity and encourage buyers and suppliers to better manage their demand and capacity?
2. Is market access a sufficiently strong incentive for suppliers to improve their practices? What would incentivise buyers to join the platform, engage directly with suppliers, and improve visibility?
3. How can SAI and the platform 'move the needle' in terms of buyer and supplier uptake of the model?
4. How has SAI's modified plan performed in adapting to the ongoing and unpredictable COVID-19 interruption? What are the implications on implementation fidelity, programme delivery, and acceptance?

The desk reviews and KIIs set out to answer these questions. As part of the data collection, KIIs were conducted with SAI's project team and a business leader from one of their recruited brands with exposure to procurement from suppliers. The questions asked were categorised as per the indicators in the evaluation framework. The KIIs with the SAI project team helped clarify the project's updated scope, the progress of the tool, and the updated methodology, as well as, the effect of the COVID-19 pandemic on its work. The brand KII served the purpose of providing a view of the on-ground reality of labour and procurement issues in the RMG sector's supply chains.

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[5] The 'before implementation' information is often problematic in reality, as typically, the intervention will build on some previous work that has been done by the subrecipient, or work that has already begun. In either case, the 'First Look' still provides a point in time against which to assess change in the 'Second Look'.
[6] Due to the pandemic, in-depth interviews with all stakeholders were conducted over Zoom.

Evaluation framework

The *Athena-Itad* case study has taken the project ToC as the main entry point into discussions and will look at which change pathways are working well, which change pathways are potentially challenging or lack up-to-date programming evidence. This **theory-based approach** was followed to design a case study that aims to test, with evidence, the assumed causal chain of results with what is observed to have happened, checking each link and assumption in the process to verify the foregrounding theory.

The theory-based approach is accompanied by **contribution analysis**, which provides a systematic way to arrive at credible causal claims about a programme's contribution to change. By verifying the ToC and taking into consideration other factors that may have influenced outcomes, Contribution Analysis provides evidence about where and how the grantees did (or did not) make effective programme objectives.

The observations in this report showcase the expectations from the project based on the information available during the 'First Look' stage, and not the status of the project at the 'First Look' stage. It is important to note that with further progress in the project and with better availability of information, the goal is to develop an accurate as-is picture during the 'Second Look' stage.

Better Fit Approach

The case study framework integrates the Better-fit Approach (BFA) methodology to help determine the degree to which a project is innovative and locally responsive. BFA seeks to either apply a new solution to a given problem, or innovatively adapt a solution from a different context to fit another, locally. It usually involves doing something differently from how it is currently being done and should seek to make the outcome or experience better, particularly in a complex and/or rapidly changing programming environment. BFA is not necessarily evaluative as it may be too early to conduct interventions during the planning stages, or early trial stages of an intervention. In principle, BFA provides an 'innovation audit' to understand the following aspects of the implementation process:

- Transformative: How, and to what extent, is the programme flexible to offer intended services more effectively
- Inclusive: How, and to what extent, is the programme trying to serve the excluded groups
- Adaptive: How, and to what extent, is the programme collecting and using results for decision-making
- Economically viable: How, and to what extent, has the programme maintained cost-effectiveness and shaped itself as acceptable and scalable

Systems Change Framework

Wherever applicable, this theory-based approach will assess how the intervention helps improve system- level capacities and connections that aim to bring forth changes in outcomes at an individual level. The Systems Change Framework (SCF) will appraise the challenges achieving of pathway effectiveness, including structural barriers, and strategies employed for improving the overall structure. The SCF scale is presented in Annexure 2. The assessment of SCF expectations for the project was accomplished through a detailed review of the project theory of change and/or logframes, as well as through KIIs with key stakeholders to assess:

- The capacities of:
  - The project to adopt global ethical standards and identify and address risks faced in the current supply chain. This identifies the design features of the project, enabling long-term relevance and sustainability

- o The participating brands and suppliers to identify and address risks and implement remedial actions through the adoption of the tool
- Connections and coordination with other organisations and similar service providers in addressing the risk of exploitative labour practices.

While BFA focuses on the design aspects of the project, allowing it to achieve its identified primary and secondary targets, SCF aims to understand how well the project impacts or influences the existing systems and their services and capacities. To assess these capacities of the stakeholders, we explore:

- Capability (ability to provide intended services): How well does the project deliver its services and how do the system and other actors respond to it? Scalable to other services, other target groups with quality measured and maintained?
- Incentive model (ability to serve interests of a diverse group of stakeholders from demand and supply side): How well-designed is the project to ensure incentives for the associated stakeholders of both the demand and supply side to continue? How well does the project identify and address mismatches between the intended services and the services received by the target audience?
- Sustainability (evidence or indications of buy-in for offering intended services): How convinced are the partners to continue the service model? What evidence or indications do we have to prove stakeholders' willingness to replicate the model?
- External Linkages (linkages with government or apex bodies): Is the project connected to or aligned with programmes or schemes in the sector and locality that will help ensure long-term success and viability of the project?

Sample of Stakeholders

The 'First Look' exercise started with an extensive desk review of the project documents, including the project proposal, ToC, logframe, and project reporting. Primary data collection by SAI for the purposes of building the algorithm began in January 2021 and is currently ongoing. For the 'First Look', two in-depth interviews were conducted with the main programme team from SAI. One brand which has been closely involved with the project and has contributed towards the onboarding of suppliers also participated in a detailed discussion about their expectations from the project. Given the business disruption and pressure on suppliers due to the COVID-19 situation in addition to the project's early stage of algorithm development, it was deemed too premature to engage with the suppliers for this phase of the learning exercise. Additionally, interviews from external actors could have put additional pressure on the suppliers and may have affected their interest in participating in the SAI project. Pandemic pressures and the early-stage status of the project have limited the number of stakeholders that could be interviewed.

At second look, *Athena-Itad* will reach out to a diverse set of stakeholders. The SAI project aims to have a high-level of engagement with at least 10 brands and 50 supplier factories to help mainstream the tool. At the end of the current project period, the team targets the adoption of the platform by at least 3 brands and 12 supplier factories. Through the duration of the project, the SAI team plans to engage with various NGOs and third-party organisations to help understand ground-realities that inform implementation.

Semi-structured questionnaires and checklists were used to collect information and the findings were analysed and compared against the updates reported by the project. Similar questions were asked to both the SAI team and the brand representative to explore perspectives.

Key Results/Findings

Summary of results against key learning questions

(Findings as of March 2021)

The findings are informed by the project documents (ToC, logframes, reports) as well as the multiple discussions held with various stakeholders. This section answers key learning questions of the project while also attempting to identify the project's level of innovation and its potential to drive long-term and systemic change. It does so by using the ToC as a base to understand the project design and deriving key information from the discussions to add further context to the progress and expectations of the project.

1. **How well does the platform work for suppliers as well as buyers? Which segments and features of the platform have worked well or as intended? Can such platforms improve transparency of supply chain capacity and encourage buyers and suppliers to better manage their demand and capacity?**

Since the platform is still at a development stage, there is limited information about its functioning and features. The buyer interviewed indicated that the key incentives for buyers would be greater visibility of where the garments are being made, as well as an understanding of when key decisions relating to production and procurement need to be finalised. This understanding may allow buyers to optimise their purchasing practices based on the supplier's capacity and ways of working. Additionally, suppliers can use the platform to increase transparency in their business relationships with buyers by letting brands know of fluctuations in levels of demand when they need more time to complete the order, etc.

2. **Is market access a sufficiently strong incentive for suppliers to improve their practices? What would incentivise buyers to join the platform, engage directly with suppliers, and improve visibility?**

Based on their own consultations with stakeholders, SAI believes that the platform will be transformative if it is adopted at scale, given how production capacity currently is being calculated (gut checks, informal calculations without the consideration of relevant inputs(s), or not being calculated at all). Using the capacity calculator tool would formalise how suppliers understand their production capacity. It would also help buyers reflect on their supply chain capacity and the ways in which their purchasing practices affect supplier production capacity and create conditions for forced labour.

As per the ToC and the logframe, while there are incentives for both the buyers and the suppliers, the platform is intended to have more direct benefits for suppliers in the short- and the longer-term. SAI will measure and improve supplier labour compliance performance through training, tools, and the SAI Social Fingerprint assessment[7]. The supporting cost benefit analysis tool will also be immediately useful as it can be used independently from the platform or the calculator. Longer-term benefits to suppliers may also include an increased exposure to brands through the platform, leading to more business, and in helping suppliers understand their true capacity for internal planning purposes. Overall, these benefits will improve the relationship between buyers and suppliers, and through improved visibility and better production planning, could contribute positively to the working conditions of even the most informal participating suppliers.

Incentivising suppliers to participate in this exercise will depend primarily on how many brands SAI can recruit onto the platform and how quickly. SAI has a history of developing innovative tools; their

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[7] The SAI Social Fingerprint measures and maps a path to improve on social performance — a company's preparedness to manage a socially responsible workplace or supply chain. Based on SAI's experience over more than 20 years, Social Fingerprint helps companies implement management systems in a credible, pragmatic, and cost-effective way.

previous and existing partners, as well as key industry actors with similar mind-sets, will be more likely to recognise the benefits of the platform and get involved at an early stage. The platform will function similar to hotel booking platforms, where one can see the room options and the number of available rooms indicating the hotel's capacity to accommodate customers. The SAI platform will allow brands to see supplier capacity, while maintaining the suppliers' privacy as well.

3. How has SAI's modified plan performed in adapting to the ongoing and unpredictable COVID-19 interruption? What are the implications on implementation fidelity, programme delivery, and acceptance?

Restrictions due to the COVID-19 pandemic impeded the team's mobility in collecting on-ground factory data and doing in-person assessments. While movement restrictions allowed for easier communication between HQ personnel and buyers, supplier engagement was negatively impacted. , Aided by their data science team, SAI adapted by gathering archived, more in-depth, and greater quantities of data from the few suppliers they had already on-boarded. The team focused on highlighting other advantages of the project for suppliers, i.e., exposure to buyers through the platform by virtue of participating in the project, and recalibrated their communication strategy.
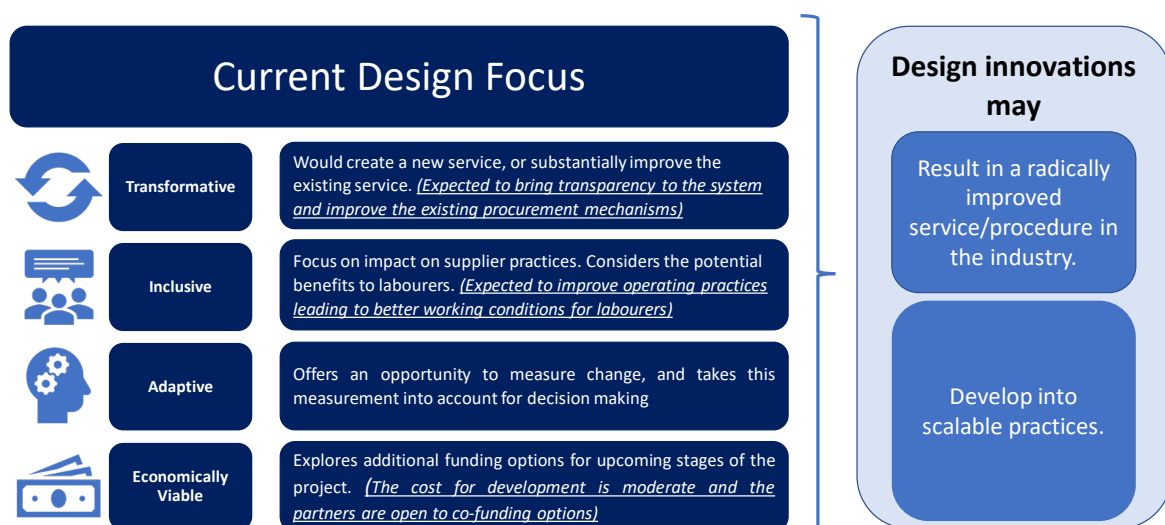
The development of the algorithm did not face many timeline-related setbacks as the SAI team had concluded their background research before the pandemic restrictions. Despite this, the limited amount of real-time data currently available has limited the accuracy of the algorithm, potentially affecting the timeline for achieving optimal validity of the tool.

Framework-based Findings
Better Fit Approach

As this was the 'First Look' assessment, the main focus was on the design aspects of the interventions, seeking to understand their intended potential impact across the standards of Transformation, Inclusivity, Adaptability, and Economic Viability. The learnings from here will dovetail into the larger-picture view provided by the Systems Change Framework.

Image 1: Better Fit Approach – Design innovation in the buyer-supplier engagement platform to disrupt the prevalence of unethical labour practices

Transformative: If adopted by enough stakeholders, the tool will be transformative insofar as it would render production capacity calculations more accurate and formalise how suppliers engage with brands. While brands are aware of the lags caused by worker absenteeism, supply delays, and

procedural bottlenecks on production capacity, the calculator and platform will formally address these factors and include them as integral to assessing production capacity.

The transformative impact of the main platform will also be supported by various tools SAI hopes to build into the platform in future, e.g., the cost benefit analysis of overtime hours or subcontracting. This tool could influence suppliers to make everyday decisions more thoughtfully with a view of their real costs.

Most brands are not fully cognizant of the impact of their purchasing practices (e.g. last-minute changes in orders) on suppliers' production capacity as this is not accounted for in the scope of their usual data-collection. By adding more variables and analysing more strands of the production process on the whole, the platform will calculate supplier capacity more accurately and thus, prompt brands to make more sustainable ordering/purchasing decisions.

A buyer associated with SAI on the project identified several purchasing practices that have an impact on workers: overburdening (excess ordering) potentially leads to unauthorised sub-contracting at factories with poor labour compliance; under-capacity leads to loss of jobs, reduction in salaries, etc. With these reasons in mind, buyers should optimise supplier capacity to work efficiently and to mitigate these consequences. The greater the adoption of the tool, the greater its potential to lead to improvement in labour conditions associated with forced labour and child labour by improving overall production practices. The buyer interviewed validated this hypothesis, indicating that shifting to a more fact-based real-time pricing model would support a less vulnerable workforce.

Inclusive: While SAI is not directly working with marginalised workers and their communities, they aim to have a positive impact on the most vulnerable workers by targeting informal workspaces and factories. Women and migrant workers make up a significant percentage of the informal workforce in RMG factories in urban areas[8,9]. Through this intervention SAI expects to indirectly address the needs and vulnerabilities of women and migrant workers by incentivising the formalisation of better procurement practices and thereby improving the overall labour performance in these factories.

Adaptive: Since the tool has not been finalised yet, there is limited scope to assess adaptability of the platform itself. However, the SAI team have been adept at adapting to the pandemic. Through the work conducted so far, the team has altered its project approach learning from the challenges they faced. The lack of access to suppliers because of COVID-19 led them to recalibrate collecting data from a greater number of suppliers for a short period, say a year, to collecting data for multiple years from the fewer suppliers that they were already connected with. The team also recognised that the short-term benefits to suppliers, i.e., the exposure to buyers by virtue of participation in the project were valuable incentives and shifted their communication strategy to highlight these aspects.

SAI's approach is contextually based on the nature of the supplier and accounts for varying parameters that are used to estimate production capacity. SAI is planning to integrate the calculator with the production management systems already used by the formal suppliers, smoothening the process of adoption. With informal suppliers, the adoption of the calculator will likely be more challenging, as it is likely that they are currently not measuring the indicators needed to measure and plan production capacity. To manage this, SAI has planned to work with and train informal suppliers in understanding and measuring indicators needed for the tool to be effectively utilised. These informal suppliers will

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[8] The Atlantic: "migrant labourers are among the most vulnerable parts of the "informal sector," which make up 80 percent of India's workforce."
[9] International Proceedings of Economics Development and Research (IPEDR): "in India, almost 94% of total women workers are engaged in informal sector, of which about 20% work in the urban centres."

be more representative of the target group to drive long-term vulnerability reduction of workers to forced/bonded labour.

In terms of building networks and contacting suppliers, the team are testing multiple avenues. They are engaging directly with suppliers, e.g. by leveraging connections that SAI's employees have with suppliers, approaching well-known formally audited factories to gain access to the supplier community, reaching out to factories and suppliers from past SAI projects, and requesting brands they work with to connect the SAI team with their suppliers. The SAI team will continue to be responsive when the tool is piloted through regular feedback loops with users on challenges faced and possible improvements.

Economically viable: The SAI team is yet to quantify the benefits of the project to stakeholders, relative to costs. The EU is also funding a complementary project (focused on implementation in Bangladesh) to support their interests in achieving transparency and traceability in the supply chain. While the GFEMS funding will develop and test the innovation, SAI is working towards securing another grant to conduct a market assessment and address scalability, with the long-term plan of providing access to the plugin/platform for the buyers at a nominal fee.
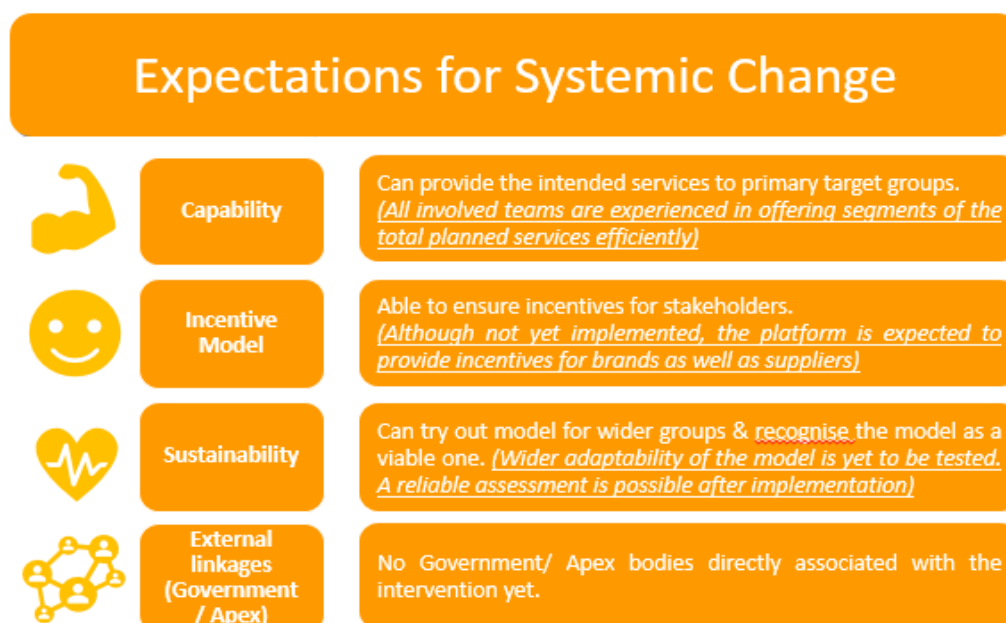
Systems Change Framework

The SCF attempts to explore the elements of the interventions from the aspect of sustained long-term impact and improvements in the existing systems that govern the industry or space targeted by the intervention. This framework identifies the ability of the intervention to affect system-wide change and how advanced the project is in the pathway-model identified.

System Change Framework indicator table:

Since the project is still in the development phase, the SCF analysis outputs only identify the expectations or indicate the projected state of the intervention once it is fully implemented.

Image 2: Systems Change Framework – Expectation from the buyer-supplier engagement platform to disrupt the prevalence of forced labour

Capability: The immediate potential short-term impacts of the platform are suppliers getting more exposure to brands and buyers, improvement in factory labour compliance to meet onboarding requirements, and alleviation of poor purchasing practices that can lead to excessive overtime, unauthorised subcontracting, etc.

The brand representative interviewed noted that in 'fast fashion', supply chain actors need to be "nimble and quick." Thus, the capacity calculation component could be particularly useful to help buyers bring down the adverse impacts of this high degree of variability in their production planning on suppliers, due to enhanced visibility on factory production practices. The brand representative noted that suppliers has spoken with still see "a new scientific method for capacity calculation" as far-off, in terms of when it can be applied in practice, but they do see the potential benefits and have been open to participation in the program.

The scope for scalability can be assessed once the platform is implemented. Brand interaction, which was less affected by the pandemic, is promising as SAI has already exceeded their target of engagement with thirteen buyers. At this stage, it is critical for SAI to communicate to suppliers the value of the project by offering tools and by offering business incentives for onboarding, especially attractive in the current economic climate. SAI plans to leverage buyers' connections with their current supplier networks to improve outreach through a more collaborative approach.

To reach workers most vulnerable to forced/bonded labour, SAI will go beyond basic support services to ensure onboarding of informal suppliers, including suppliers that sub-contract to informal sources like sweatshops or homeworkers. The project team understands that while not everyone can adopt the calculator and the platform, encouraging suppliers who might be able to learn to use the tool will eventually promote good purchasing and planning practices.

SAI will build various tools into the platform to strengthen its utility. These tools include the cost benefit tool, which examines the financial implications of overtime hours or subcontracting. By using this tool, suppliers will have the capacity to better understand the economic consequences of their everyday decisions.

Incentive model: While the project attempts to offer incentives to both buyers and suppliers, the intervention will have more direct benefits for suppliers in the short- and the long-term. Immediate benefits to suppliers will include greater market exposure to brands and buyers, improved transparency and trust with buyers, and a better understanding of the cost implications of current production planning practices. The incentive for supplier participation will also be affected by how many brands are recruited onto the platform, and at what speed.

The platform is expected to have medium- to long-term impact by improving buyer purchasing practices. Buyer incentives include greater visibility of where garments are being made and a better understanding of when key decisions related to production and procurement need to be taken. Streamlining decision-making in alignment with supplier capacity and a higher level of transparency will support better and stronger business relationships among supply chain actors.

SAI has a successful track record in developing innovative supply chain tools, which will incentivise stakeholders to come onto the platform. Among these, their most prominent development is the SA8000 Standard and Certification System, that provides a framework for organizations of all types, in any industry, and in any country to conduct business in a way that is fair and decent for workers and to demonstrate their adherence to the highest social standards. Created in 1997 as the first credible social certification, it has led the industry for over 20 years.

Sustainability: SAI is aware that certain inputs and influencing factors of the algorithm for the calculator, may vary in importance over time. Similarly, different sets of inputs may be more relevant when expanding to other geographies. For example, indicators like 'Natural disasters' and 'Political Instability' do not equally affect production worldwide and would be heavily linked to the location of the operation in question. To increase the calculator's applicability in the long-term and in diverse contexts, SAI is making room for the changing set of factors that will inform the tool at present and over time.

For long-term sustainability, SAI is aware that the calculator and other associated tools on the platform will need to demonstrate the business case for suppliers and brands in a more comprehensive manner moving forward. They are also hopeful that the pilot results of the platform will encourage suppliers and buyers to keep using the tool beyond the initial timeline. SAI is also planning to enhance the functionality and longevity of the platform by exploring more complex and unique features, such as the third-party verification of suppliers' production capacity through blockchain technology and additional data sources, e.g. SAI is attempting to gauge monthly production levels by analysing shipping records.

External linkages: Currently the project and platform, by design, do not depend on or interact with governmental agencies or other organisations to develop linkages since this is a technological solution for private sector supply chain actors. The scope for such linkages could be explored during the Second Look, once the project has developed further.

Implications & Recommendations

Success stories
Despite the pandemic, the project has been able to successfully engage with many multinational brands. SAI has been able to leverage these relationships for successful engagement with various suppliers to collect data for the project. These suppliers are expected to be the first set of users to test the platform.

Enabling factors (Strengths)

- Better collaboration among buyers and suppliers is currently in the interest of all supply chain actors. Brands are particularly interested in the project's ability to establish a valid method for capacity projection of suppliers in their supply chain.

- Strong brand interest has the potential to encourage greater buy-in from suppliers. The testing of a more collaborative approach, with brands' willingness to encourage the onboarding of their existing supplier network, will hopefully prove to be successful.

Challenges

- The SAI team had to implement changes in the project plan due to budget reductions and the COVID-19 pandemic. This affected the scope and timelines of the project to some extent.

- The disruptions in the supply chain and staggering of orders due to the COVID-19 pandemic pressured suppliers to reprioritise their efforts to sustain their business leading to lower-than-expected participation by suppliers in the development phase.

Key Recommendations

Increasing buyer and supplier uptake of the model:

- Developing customised messaging for suppliers attached to a particular brand may help suppliers understand the issue and the solutions by better contextualising for their business operations.

- In addition to collaborating with brands, partnering with local entities working in the labour and worker rights space may increase the reach and adoption of the platform. Since these groups wield a certain level of local influence, they may have the ability to engage more directly with workers and suppliers, and be well placed to promote the benefits of the SAI platform.

- Industrial associations may be interested in such a low-cost high-impact scientific method to address issues in the procurement process. While they may not directly use the platform, they can help promote the SAI project and urge brands and suppliers to explore the platform.

- Building a stronger social media presence can generate interest towards the SAI project from the media and the general public. This interest can then be leveraged to convince brands and suppliers of the importance of the platform and the reputational benefits of aligning with the SAI project.

Since the project is still at its early stages, further recommendations will be possible only during the second look. As the capacity calculator is the core of the platform, a comprehensive analysis to assess its potential for impact and methods to realise it, will be explored during the second look of the learning exercise.

Annexure 1:

Detailed Observations: Expectations based on the Better Fit Approach

Transformative	Maintains status quo	Would improve an existing service	Would create a new service, or substantially improve an existing service. _(The service has not been started yet, but once it starts, it's expected to bring transparency to the system)_	Would radically improve a service or create a new service – and could unlock change in other services
Inclusive	Serves one group within the community	Considers the needs of excluded communities. _(The service has not started yet. Once it starts, it is expected to improve operating practices and thus improve workers' conditions)_	Creates a clear role for excluded groups	Creates a role for excluded groups in leadership, planning and accountability
Adaptive	Does not offer effective measures of change monitoring	Offers some opportunity to measure and monitor change	Offers an opportunity to measure change, and takes these measurements into account for decision making	Results can be measured and incorporated directly into targets and a system established for results-based decision making
Value for money	Identifies potential resources and sources only to circumstances in one community or locality. Costs for further development are prohibitive	Explores alternative resources and sources to make implementation more economic and may apply in some other communities. Co-funding is promising	Negotiates effectively to make the deals economic and timely to make it widespread and uses approaches which are likely to be widely acceptable. High likelihood of co-funding _(The cost for development is moderate and the partners are open to co-funding options)_	Has been implemented in an economic and timely manner. Co-funding pipeline is strong

Annexure 2:

Detailed Observations: Expectations based on the System Change Framework

Capability	Can provide the intended services to primary target groups. *(All involved teams are experienced in offering segments of the total planned services efficiently)*	**Can offer additional services related to the intended services** with quality**/** Can o**ffer the intended services beyond the primary target groups** with quality	Offers additional related services with quality/ beyond the primary target groups with quality. **Other competitors/ similar service providers are showing interest/ gaining ability in offering the intended services**	**Other competitors/ similar service providers are offering similar services**
Incentive model	Able to ensure incentives for stakeholders *(Although not yet implemented, the platform is expected to provide incentives for brands as well as suppliers)*	Additional gaps in service delivery for the targeted groups are minimised to ensure more incentive for both demand and supply side	Other competitors/ similar service providers are showing interest in ensuring both demand and supply side incentives	Other competitors/ similar service providers are ensuring both demand and supply side incentives
Sustainability	Try out the model for wider groups and recognizes the model as a comparatively viable one *(The scalability and applicability of the tool may be possible. A reliable assessment is possible after implementation in the targeted areas)*	Make the model their mainstream practice	Other competitors/ similar service providers are recognizing incentive from the new model	Other competitors/ similar service providers are making the model their mainstream practice
External linkages (Government/ Apex)	Linkages closely monitor the progress and impact of the intervention *No Government/ Apex bodies directly associated with the intervention yet)*	Linkages provide well defined support and incentives to ensure program/ intervention success	Linkages encourage similar programs/ interventions or linkages with other similar programs/ interventions	Linkages have made the intervention model a system norm