GoodWeave International
Global Indicators 2015
Evaluation Summary Report
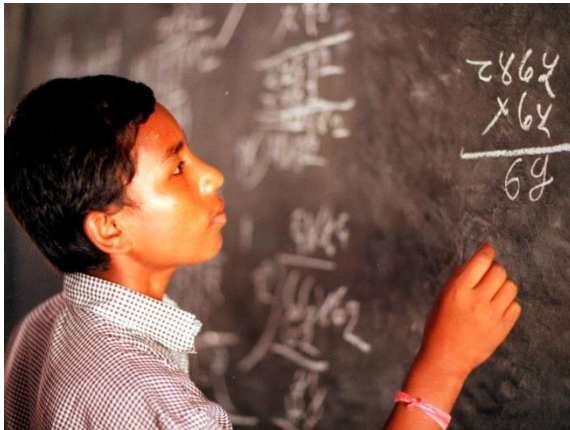
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Introduction and Background

GoodWeave is an international organization working to stop child labor in the carpet industry and to replicate its market-based approach in other sectors. GoodWeave fulfills its mission by creating market demand for certified child-labor-free rugs, monitoring supply chains, rescuing and educating child laborers, and providing critical services for weaving families.

These are interesting and exciting times for GoodWeave. The world is changing rapidly in relation to our mission and work. Whereas 20 years ago there was little global dialogue on the problem of child labor or corporate responsibilities to address it, today our agenda has come front and center. There is new legislation including the *UK Modern Slavery Act*, *The California Transparency in Supply Chains Act*, and President Obama's executive order to strengthen protections against trafficking. The new UN Sustainable Development *Target 8.7 to End Child Labor by 2025* creates a mandate for companies and governments to identify and scale solutions, and new potential partners and donors are on the scene. GoodWeave has new donors and opportunities emerging, and we are pleased to share updates on our programs and progress towards the annual plan, much of which supports and reflects the bigger changes we see happening in the world.

GoodWeave maintains a Monitoring and Evaluation (M&E) program to measure ongoing progress against organizational objectives and impacts and uses this information to adjust program strategies. GoodWeave's M&E System Report available publicly online[1] describes the M&E system and theory of change. A graphic depicting the results framework is included in Appendix 1. As part of this program, we routinely collect data from offices in consumer and producer countries on a set of global indicators. This present report builds on the previous year's report, summarizing the analysis of ongoing monitoring and outcome-level evaluation of the global indicators data for 2015.

GoodWeave is also continuously developing its M&E system to better measure long-term impacts. GoodWeave believes that the greatest impact of our work is one that has proven challenging to quantify – namely the deterrent effect that results from engaging and working with brands and companies to map their supply chains, identify and root out child labor in the industry using the system of rigorous child labor inspections. External research suggests that child labor in the South Asian carpet sector has significantly reduced over the past two decades. These trends are both expansive and occur over a long time horizon and are thus difficult to measure and attribute through the M&E system; therefore GoodWeave is actively seeking support and expertise to better track and understand the larger impact of this deterrent effect.

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[1] See http://www.goodweave.org/about/governance/monitoring-and-evaluation.

Evaluation Framework

This evaluation report addresses a set of questions stemming from GoodWeave's theory of change, which is summarized below and in the results framework (see Appendix 1).

Vision - GoodWeave envisions a day when no child is made to work instead of going to school, and when freedom and access to education are guaranteed. By creating a market that demands these things, human rights will be essential and intrinsic, first in the rug industry and then in all manufacturing where labor abuses now exist.

Mission - GoodWeave aims to stop child labor in the carpet industry and to replicate its market-based approach in other sectors.

Theory of Change - GoodWeave believes that if enough people choose one product over another because it was made without child labor, then retailers, importers and exporters will demand child-labor-free goods from their manufacturers. This in turn will create a "tipping point" in the market, leading to the end of child labor.

The scope of this report covers four main areas which are described as program strategies. The evaluation questions below are directly linked to each of the objectives and examine whether the strategies are contributing to the intended change described in the results framework. These are divided into primary and secondary questions.

Program Strategy	Primary	Secondary
1: Leverage Market Influence	• Is industry uptake of GoodWeave certification increasing?	• Is consumer awareness of GoodWeave increasing?
2: Develop Child-labor Free Supply Chains	• Is coverage of supply chains under the inspection and monitoring program increasing? • Are victims still toiling in supply chains identified?	• Is compliance with child labor, forced and bonded labor standard requirements improving?
3: Offer Educational Opportunities for Children	• Are rescued children receiving rehabilitation and remediation services?	• Is school enrollment in worker communities increasing?
4: Ensure Decent Work for Adults		• Are labor rights and working conditions per the GoodWeave certification standard improving?

The primary questions are the main focus of this report. These are the questions to which the global indicators data are most directly related. The secondary questions are also considered, however the indicators are indirectly related to these and therefore additional in-depth research would be needed in order to more fully assess some of the broader or longer-term impacts. The description of a fifth program area is also included, namely *Promoting replication of the GoodWeave System.* New indicators are planned to be developed for this and the other areas listed as secondary questions, such as those related to school enrollment rates and decent working conditions.

The methods used to collect and analyze the global indicators data are described in Appendix 2. Most of the targets to measure success are expressed in terms of increases over previous years. These are measured in terms of 2015 results against the baseline of 2013. Where data limitations made it difficult to draw conclusions, additional data and/or methods for assessing the program outcomes and impacts are needed, which present areas for future research. A summary of findings for each program area are presented in the following sections of this report.

Program Strategy 1: Leverage Market Influence

Overview

In North America and Europe, which collectively represent approximately 85% of global carpet imports, GoodWeave builds consumer demand for child-labor-free rugs, harnessing market forces to motivate producers to forego child servitude, and continually recruits new importers and retailers to source and sell GoodWeave certified rugs. GoodWeave's current activities include: Expanding industry engagement in North America and Europe through international tradeshow presence; Development of an industry toolkit for distribution to all licensees and their retail outlets; Creation of a business case study to engage a new market category of signors; Expanding the North American branding campaign and launching in key European markets with Public Service Advertising, electronic marketing, and licensee use of GoodWeave branding. The objectives of the program are to increase market penetration in Europe and North America, raise global market share and sign new large-scale retail partners selling different categories of rugs.

Intended Outcomes
1.1 Increased industry uptake of GoodWeave certification
1.2 Increased consumer awareness of GoodWeave

Summary of Results

Industry overview – GoodWeave defines its global import universe as the US, the UK and Germany. Despite a strengthening European economy, overall rug imports to the member states experienced a slight decline in 2015. The value of total exports to Germany lost 11%, while imports to the UK increased almost 19% from 2014. An increase of 16% in the average cost per m2 of rugs imported by the US contributed to a -1.8% decline in US import value. During this period the cost per square meters of rugs produced in India and Nepal increased slightly (3.8% and 3.4% respectively).

Industry Engagement – GoodWeave signed 15 new importer licensees across the globe during 2015. This continues an overall increasing trend over the past two years, despite delisting several companies. Market share increased by 3.8 percentage points, while licensing revenue grew by over 70%.[2] This increase was driven by the addition of new licensees with significant volume of certified imports, sourcing primarily from India. At the same time, the total value of US imports from Nepal dropped 15% in the wake of the major earthquake and economic blockade. The drop in import value from GoodWeave's existing licensees was approximately 11%, slightly better than total market performance. Along with the addition of new licensees, there was a corresponding increase in the assortment and visibility of GoodWeave certified rugs on popular retail websites, and GoodWeave maintained a visible presence through its own presence at key industry trade shows in North America and Europe.

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[2] It should be noted that GoodWeave market share and licensing revenue data presented in this report are not directly linked as they have been in previous reports. The import value of several importer licensees significantly exceeded the licensing value cap. As a result, the market share of certified rug imports grew at a higher rate than licensing revenue.

<u>Consumer Awareness</u> – The number of consumer reached through the advertising campaign increased by 36% in 2015. Although overall media reach decreased when compared with the previous year, this is attributed to the massive editorial media attention given to GoodWeave founder Kailash Satyarthi's Nobel Peace Prize in 2014. The longer term trend indicates 33% increase in consumer media reach over the past two years. Placements of both in-kind PSAs and co-op advertising with GoodWeave industry partners also increased during the year.

Key Indicators	2013	2014	2015
Total market size (HTS 570110 in USD, millions)	$ 379.2	$ 404.0	$390.8
US	$254.6	$287.9	$282.7
Germany	$106.8	$98.1	$86.6
UK	$17.8	$18.0	$21.6
Value of certified carpet imports (USD, millions)	$ 21.0	$ 21.1	$35.0
US	$11.8	$11.9	$23.9
Germany	$4.9	$4.3	$4.1
UK	$4.3	$4.9	$7.0
Market share (as % of total market size in USD)	5.6%	5.2%	9.0%
US	4.6%	4.1%	8.5%
Germany	4.6%	4.5%	4.8%
UK	24.5%	27.5%	32.3%
Volume of certified carpet imports (sq. meters)	381,918	439,571	1,762,466
India	312,059	370,738	1,686,669
Nepal	69,859	68,833	75,797
Number of carpets certified	141,376	144,194	1,448,376
India	128,849	130,672	1,431,646
Nepal	12,356	13,465	16,730
Number of GoodWeave importer licensees	130	137	139
Number of GoodWeave exporter licensees	160	167	194
Number of countries where GoodWeave has signed licensees (consumer/producer countries)	14	18	18
Number of consumers reached through marketing campaign (millions)	61	108	81
Ad readership/reach (millions)	24	21	29
Press editorial readership (millions)	37	87	52
Number of PSAs placed	45	35	58
Number of partner co-op ads placed	8	3	11

Program Strategy 2: Develop more child-labor-free supply chains

Overview

To create child-labor-free production, GoodWeave establishes clear and rigorous standards verified through mapping and inspecting all tiers of the supply chain. GoodWeave's robust system of independent, third-party inspection is used to check all production sites for compliance with the standard requirements. Companies who join GoodWeave consent to open their weaving facilities for random, unannounced inspections. The process ensures access to all tiers of subcontracting, from factories to villages to homes. Those that meet the GoodWeave Standard are issued certification labels for their rugs. This creates a deterrent effect to exploiting children due to the risk to producers of losing their buyers if found using child labor. GoodWeave also identifies and rescues children exploited in carpet making supply chains. GoodWeave inspectors are trained to identify and provide protection and remediation in different scenarios following the child protection, rescue and remediation processes. In addition to maintaining the highest standards in its supply chain monitoring and certification system, GoodWeave works to expand coverage in current and new regions in India, Nepal, and Afghanistan and plan for expansion into new countries.

Intended Outcomes
2.1 Increased coverage of supply chains under the inspection and monitoring program
2.2 Improved compliance with child labor, forced and bonded labor standard requirements
2.3 Victims still toiling in supply chains are identified

Summary of Results

Overall, there was an increase in the supply chains covered by the GoodWeave inspection and monitoring system. There was a 43% increase in number of production sites, and a 20% increase in the number of looms covered by inspections. This trend was driven mainly by significant expansion in India resulting from the addition of new importers. At the same time in Afghanistan there was a slight decline in the reach of the supply chains covered due to shifting production away from the Western regions as a result of greater instability. The number of inspections also increased significantly with new inspection staff added in India, while the earthquakes and border blockade in Nepal resulting in massive disruptions in the country led to a decline in inspection activity in that country. GoodWeave directly rescued or withdrew 77 children from child labor in supply chains. The GoodWeave team in Afghanistan also withdrew an additional 31 child laborers who had been identified during the previous year and enrolled in education. In 2015 the majority of child laborers rescued were in Nepal, where a surge in child labor incidence was observed in the aftermath of the natural disasters and economic blockade.

Geographic Expansion – GoodWeave opened an office in Andkhoy (Faryab Province) in northern Afghanistan employing a small inspections and social program team. Service delivery was initiated and designed to meet targets while also serving weavers in the supply chains of

Afghan licensees. In India, preparations to launch the child-friendly community approach in two clusters of villages in Rajasthan were begun. This area has been pinpointed as a key region for expansion because approximately 15% of India's carpet manufacturing takes place there and 10% of child laborers are estimated to be concentrated in Rajasthan.

Key Indicators	2013	2014	2015
Total number of production sites	1,937	2,650	3,781
India	1,285	1,865	3,041
Nepal	526	519	527
Afghanistan	126	266	213
Total number of looms	18,736	22,281	26,753
India	14,327	18,471	23,277
Nepal	4,284	3,512	3,307
Afghanistan	125	298	219
Number of inspections carried out	2,568	4,160	4,397
India	1,277	1,427	2,428
Nepal	1,126	2,273	1,432
Afghanistan	165	460	537
Number of children rescued from looms / withdrawn from child labor	45	96	77
India	12	8	9
Nepal	27	31	43
Afghanistan	6	57	25

Program Strategy 3: Offer Educational Opportunities for Children

Overview

GoodWeave provides education support to rescued and at-risk children in weaving communities to create environments where child labor is less likely to occur. This includes providing comprehensive, long-term rehabilitative services to the individual children rescued from working on looms. Whenever children are removed from work, appropriate measures are taken to reunite them with their families when possible and offer them center-based rehabilitation when not, and in either scenario support their enrollment in school while providing follow up counseling and care. GoodWeave also invests in pro-active prevention strategies to increase school readiness and enrollment for children in weaving communities, as well as daycare, school sponsorship for children at risk for exploitation, and awareness programs. GoodWeave's work focuses on increasing access to school for underserved, low-caste communities not yet reached by government and/or NGO education programs while working in close collaboration with local stakeholders to ensure community-wide commitment to the development and education of its children.

Intended Outcomes

3.1 Rescued children receive full rehabilitation and remediation services
3.2 Increased school enrollment in worker communities

Summary of Results

GoodWeave education programs in India, Nepal and Afghanistan continued and expanded in 2015. Overall there was a significant increase in the number of children rescued and enrolled in rehabilitation and education programs, commensurate with GoodWeave's expanded reach in weaving supply chains. GoodWeave provided ongoing education, rehabilitation and remediation services to 425 children in 2015, more than double the previous year. Preventative education support programs and related services designed to improve well-being of families and leave them less vulnerable to resorting to child labor were expanded to reach over 4,000 children, a 63% increase from 2014.

India – Developed in partnership with the India organization MV Foundation, GoodWeave's centerpiece Child Friendly Community program was implemented in Eastern Uttar Pradesh, Panipat and Haryana in 2015. Teachers, parents, local government officials (panchayats), school administrators, and employers in these regions were mobilized to support the project. A household survey of 13 weaving villages in Eastern Uttar Pradesh conducted in 2013 identified 912 out-of-school children ages 3-18. By the beginning of 2015, 91% had been enrolled into Motivation and Learning Centers (MLCs), which serve as village "bridge" schools for children until they are able to access a government school, as well as to bring older children up to grade level before being mainstreamed. Three new communities were added to the program with the establishment of 7 new MLCs during the year. A three-year program to expand the child-friendly community approach to Rajasthan was also piloted, which is designed to eventually reach 1,200 at-risk or out-of-school children, primarily girls.

Nepal – After the earthquake, the number of child laborers identified and rescued in Nepal increased by 48% over the previous year, many of whom were identified as victims of trafficking. This indicated heightened household vulnerability in the aftermath of the earthquake and during the border blockade. Rescued child laborers were provided a safe space in GoodWeave's transit home and the GoodWeave social program team provided emergency relief, working with partner NGOs to rebuild homes and create a safe space for children and families to continue their schooling and work.

Afghanistan – The worsening security situation and increased economic instability in Afghanistan contributed to increased household vulnerability and an even greater demand for services. Despite these challenging circumstances, GoodWeave continued to expand educational and health services delivery during 2015. In Kabul and Herat, child laborers and at-risk children were enrolled in public and private schools, provided with home tutoring and supplemental learning classes. Education programming was expanded in northern Afghanistan, where programs focused on early childhood education and supplemental learning classes. With the addition an office in Andkhoy as well as new staff in Mazar, Herat and Kabul, GoodWeave was able to expand its reach and service offerings providing education services to 972 children while providing health care and other services to their extended families. Overall the number of children reached in these areas more than tripled over the previous year.

Key Indicators	2013	2014	2015
Total Number of children educated	2,345	2,597	4,546
India	1,516	1,528	2,860
Nepal	745	785	714
Afghanistan	84	284	972
Number of child laborers enrolled in rehabilitation and education programs	126	168	425
India	20	24	25
Nepal	97	105	137
Afghanistan	9	39	195
Number of children reached with preventative education programs	2,219	2,574	4,189
Number of children enrolled in motivation and learning centers (MLC)	1,496	1,504	2,835
Number of children in enrolled in sponsored education programs (SEP)	238	231	226
Number of children enrolled in daycare	477	533	717
Number of children enrolled in other education programs (e.g. extra-curricular classes, prep courses, etc.)	8	161	411

Program Strategy 4: Ensure Decent Work for Adults

Overview

GoodWeave works to ensure decent work and ethical labor conditions are afforded to adult weavers who are then more likely to send their children to school. This is a new program area added to the GoodWeave model. New indicators are in development to collect data on the implementation of decent work principles alongside the launch of the expanded standard starting in 2016.

Intended Outcomes
4.1 Improved labor rights and working conditions per the GoodWeave certification standard

Summary of Results

In 2015, GoodWeave's services for adult weavers included health services and vision testing, which expanded along with increased coverage in India, workplace awareness on workers' rights and decent work, support for weavers to obtain artisan cards, as well as a weaver training initiative started in Afghanistan and expanded to Nepal. Data from GoodWeave's *Weaving Opportunities* program shows that all of the trainees placed have been able to earn incomes that increase over time as their skills improve. GoodWeave has so far trained 350 women weavers through its weaver training program.

Earthquake Response – GoodWeave also implemented programs directly and through partnerships to support earthquake relief in Nepal during the second half of the year. These programs helped the weaving industry and workers rebuild in the aftermath of the earthquake, including housing and school fees for affected weaving families, technical assistance to the carpet industry to help build back better and benefit vulnerable workers, and a comprehensive advocacy campaign to support businesses that protect children while rebuilding sustainably.

Key Indicators	2013	2014	2015
Total number of workers	**34,817**	**39,051**	**46,290**
India	21,325	27,791	34,594
Nepal	13,049	10,243	10,948
Afghanistan	443	1,017	748
Number of health & vision clinics conducted	5	6	12
Workers reached by health & vision clinics	645	1,370	1,897
Children served by health clinics conducted	150	536	809
Number of weaver training programs	2	3	6
Number of weavers trained	50	410	142

Number of educational workshops / awareness programs for workers	2	13	8
Number of workers reached by educational workshops / awareness programs	406	2,079	619

Program Strategy 5: Promote replication of the GoodWeave System

Overview

Priorities for replication of the GoodWeave model in 2015 focused on successfully implementing the certification standard and verification system of the Better Brick Nepal program and initiating a planning process for expansion to new sectors starting with a pilot program in the apparel industry.

Intended Outcomes
5.1 GoodWeave System piloted in new industries

Summary of Results

Better Brick Nepal – GoodWeave continued its partnership with the BBN program in 2015. In its third year of implementation the project expanded to include 22 brick kiln operations in Nepal covering approximately 8,000 workers. A reliable verification methodology was developed and implemented through full audits done in five brick kilns against the BBN standard. The demand for construction materials post-earthquake provides new opportunity for partner kilns as well as an opportunity to spotlight labor issues and conditions in the industry.

Apparel pilot – The planning process for expansion to new sectors was carried out by engaging and eliciting feedback from a broad range of stakeholders. Background research in communities working in apparel embellishment was also started, which is planned to lead to a two-year pilot project with homeworker production regions in five communities. The research carried out in conjunction with Delhi University revealed top challenges facing homeworkers producing embroidered garments include child labor, low wages, lack of alternative skills and education, occupational health problems and unclear terms and conditions of work. Lack of disclosure of sub-contracted supply chains to buyers is also a key challenge in this industry. The goal of this program set to launch in 2016 is to establish a model that can reduce the use of child labor and forced and bonded labor in these decentralized apparel-making supply chains.
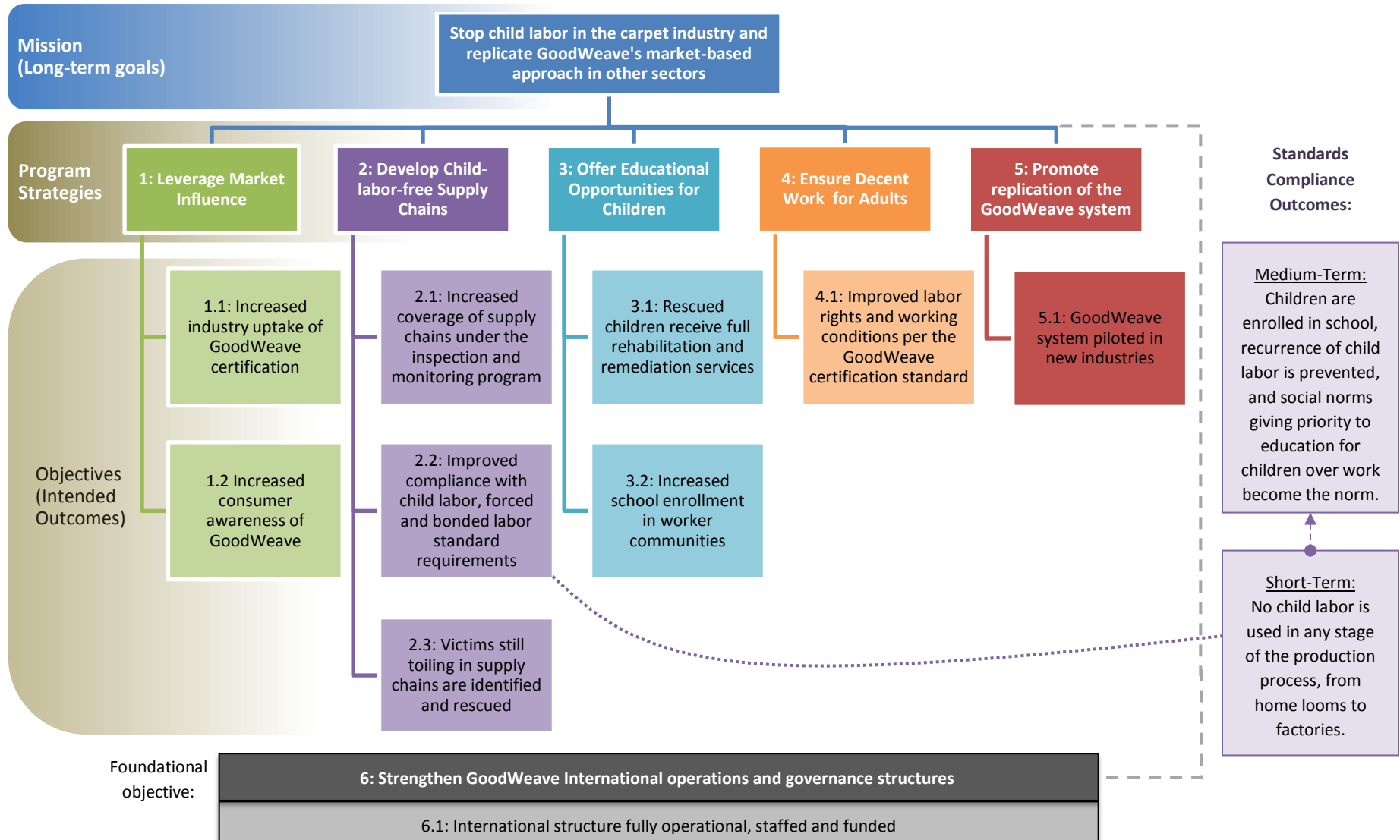
Conclusion and Next Steps

The 2015 global indicators show that GoodWeave is making marked progress towards most of the program's objectives outlined in the strategic framework. Most notably, market growth remains strong, with major retail partnerships resulting in the volume of certified carpets more than doubling over the previous year. Continued retail partnerships in the future are therefore expected to further increase the market demand for GoodWeave certified rugs. This demand fuels GoodWeave's holistic model, creating incentives for businesses to develop more child-labor-free supply chains. As a direct result of removing child labor, education for children and decent work opportunities for adult weavers can be provided. Despite major challenges presented by the natural disasters and geopolitical turmoil in Nepal and Afghanistan, GoodWeave continues to reach more children and workers with education, health, and training programs. Expansion into new sectors is also underway and is positioned to further expand GoodWeave's impact in the years to come.

The results of the global indicators data are used in organizational monitoring and strategic planning. Opportunities for further study outlined in the previous year's report remain relevant and are planned to lead to further studies into specific program areas. GoodWeave is also developing indicators to better measure impacts in the new program areas of providing decent work to adults, as well as new sector expansion.

GoodWeave International

Appendix 1 – GoodWeave Results Framework Schematic

Updated spring 2016

Mission (Long-term goals): Stop child labor in the carpet industry and replicate GoodWeave's market-based approach in other sectors

Program Strategies:
- 1: Leverage Market Influence
- 2: Develop Child-labor-free Supply Chains
- 3: Offer Educational Opportunities for Children
- 4: Ensure Decent Work for Adults
- 5: Promote replication of the GoodWeave system

Objectives (Intended Outcomes):
- 1.1: Increased industry uptake of GoodWeave certification
- 1.2 Increased consumer awareness of GoodWeave
- 2.1: Increased coverage of supply chains under the inspection and monitoring program
- 2.2: Improved compliance with child labor, forced and bonded labor standard requirements
- 2.3: Victims still toiling in supply chains are identified and rescued
- 3.1: Rescued children receive full rehabilitation and remediation services
- 3.2: Increased school enrollment in worker communities
- 4.1: Improved labor rights and working conditions per the GoodWeave certification standard
- 5.1: GoodWeave system piloted in new industries

Standards Compliance Outcomes:

Medium-Term: Children are enrolled in school, recurrence of child labor is prevented, and social norms giving priority to education for children over work become the norm.

Short-Term: No child labor is used in any stage of the production process, from home looms to factories.

Foundational objective:
- 6: Strengthen GoodWeave International operations and governance structures
- 6.1: International structure fully operational, staffed and funded

Appendix 2 – Data Collection & Analysis Methods

GoodWeave collects M&E data from consumer and producer country offices on a regular basis. This includes the following:

- Consumer country licensing & market data. This includes market size, volume and value of imports, number of licensees and number of countries where GoodWeave works. The source of the data is from Global Trade Information Services (GTIS) trade data and GoodWeave's licensing data, which is tracked, collected and analyzed on an ongoing basis by licensing team in the head office. The data is aggregated using Excel files and reports generated once per year at a minimum and provided to the M&E team.

- Consumer country media & communications data. This includes number of consumer reached through various media channels. The source of this data is from online analytics and media tracking, which is collected and analyzed monthly by the communications team in the head office. The data is aggregated using Excel files and reports generated typically every month and provided to the M&E team.

- Producer country market & social programs data. This includes volume of exports of certified carpets and number of carpets certified, number of exporter licensees, number of programs and beneficiaries reached through awareness, health, training, and education, aggregated by type of program. The source of this data is from the local field offices in producer countries and implementing partners. The information is tracked, collected and data filled out on a reporting spreadsheet typically quarterly, and reported to the M&E team.

- Audit/Inspections data. This includes number of production sites, looms, workers/weavers, number of inspections and child labor cases. The source of this data is the inspections database and summary reports generated by the country inspection units in Excel. Inspections data is entered and synchronized weekly, and summary reports are prepared monthly, or whenever new companies apply and non-compliance cases are found. Nepal country data was not automatically synchronized to the central database in 2015, but submitted along with the social programs data. Audit reports include compliance status of producers against the expanded standard. This data is in the process of being integrated into the inspections database, but at present is available on Excel sheets. The M&E team extracts the data from the inspections database for analysis.

- Child labor data. This includes number of children rescued or withdrawn from child labor and enrolled in rehabilitation programs. This is recorded and tracked by the local child protection or social programs teams and reported to the M&E team on an ongoing basis whenever child labor cases are identified. This data is also in the process of being integrated into the inspections database.

GoodWeave also collects program-specific data, such as status against project milestones, assessments completed for the Better Brick Nepal program, and outcomes related to weaver training programs, school enrollment, etc. This data is tracked by the respective program teams in each country. Once the M&E data has been collected, it is saved in Excel files on the head office shared drive and reviewed by the M&E team typically quarterly. The global indicators data including historical data, where available, is compiled and organized according to GoodWeave's strategic framework to identify annual trends related to the objectives/outcomes under each program strategy. The indicators are analyzed by the M&E team and this analysis is shared with staff members and the Executive Leadership Team using charts and graphs to visualize the data trends. Analysis of the data is also typically carried out 2-3 times during the year during periodic reporting to the GoodWeave International Board, and this analysis has been integrated into the report.