

ILO/IFC Better Work Programme 2018-2022

Key results:

The objective of the Better Work programme is to enable a global garment industry to lift millions of people out of poverty – particularly young women - by providing decent work, empowering women, driving business competitiveness and inclusive economic growth.

Specific results include:

- Improvements in working conditions and business competitiveness through in-factory services in more than 2,500 factories with more than 3 million workers.
- Increase in the percentage of factories with active and effectively functioning worker-management committees from 13% to 32%.
- Stronger women's voice and representation in social dialogue mechanisms at factory, sector and national levels

Justification for support:

The Better Work Programme contributes to a number of Danish priorities, particularly inclusive, sustainable growth, youth empowerment and gender equality. The programme falls clearly within SDG8 but contributes to several other SDGs notably SDG 1 and SDG 5. Activities takes place in in seven countries: Bangladesh, Ethiopia, Indonesia, Vietnam, Jordan, Haiti and Cambodia, four of which have Danish embassies. During the previous phase, which Denmark supported with DKK 15,000,000 (2014-16), Better Work demonstrated its ability to gather momentum around the issue of working conditions from all actors, including global brands, factories and governments. The current phase has a total budget of DKK 500 million and is based on the lessons and recommendations from an independent - and positive - impact assessment of the previous phase. Apart from scaling up the initiative to reach, ILO has strengthened the programme's focus on gender and rolled out a new pricing framework to improve financial sustainability.

Major risks and challenges:

- Changes in trade agreements or the rising cost of production in a given country will impact brands' sourcing decisions.
- Lack of willingness of factories to improve compliance with ILO standards.
- Political resistance in countries with little or no experience in social dialogue to engage with the programme.

Strategic objectives:

1. To accelerate improvements in working conditions and business competitiveness through in-factory services
2. To influence global retailers, brands and manufacturers in the establishment of business practices that promote decent work outcomes in supply chains
3. To strengthen institutions and influence policies that create an enabling environment for decent work and improved business competitiveness.

Justification for choice of partner:

The ILO is a specialized UN agency. With its unique tripartite composition, the ILO is well placed to address the labour market challenges in the global garment sector supply chain. The ILO is engaged with the issue of global supply chains at the highest level, including through the International Labour Conference. The organisation enjoys a high level of trust with host governments and has an extensive in-house expertise on issues pertaining to the garment sector, as well as the related issues of gender equity and decent work. Better Work is implemented jointly with the IFC who complements the ILO with its ability to mobilize the private sector in developing countries. Finally, an external evaluation of the previous phase of Better Work, as well as an impact assessment carried out by Tufts University, showed positive results.

Summary:

During the previous phases of the programme, Better Work has proven that it is possible to simultaneously improve working conditions and boost competitiveness in the global apparel industry. Building on its extensive experience and understanding of what drives change in supply chains, the programme now seeks to significantly scale and deepen its impact. During its next phase, Better Work will leverage existing and new partnerships to expand its impact by 50% from 2 to 3 million workers. In addition, ILO and IFC will support garment producing countries to strengthen the policy and enabling environment for decent work and competitiveness to drive positive outcomes on a much larger scale. Finally, focus on women's empowerment and rights will continue to be a priority throughout the programme.

Budget:

Total support to joint donor pool earmarked to ILO/IFC's Better Work programme

DKK 20 million

File No.	2018-17212						
Country	Global						
Responsible Unit	VBE						
Sector	16070 - Labour Rights						
Partner	ILO						
	<i>DKK mil.</i>	2018	2019	2020	2021	2022	Tot.
Commitment		20					20
Projected ann. disb.		7	7	4	2	-	20
Duration	5 years						
Previous grants	DKK 15,000,000 for 2014-2016						
Finance Act code	06.38.02.15						
Head of unit	Ole Thonke						
Desk officer	Ole Dahl Rasmussen						
Financial officer	Hans-Henrik Christensen						

Relevant SDGs

 1 NO POVERTY	 2 NO HUNGER	 3 GOOD HEALTH, WELLBEING	 4 QUALITY EDUCATION	 5 GENDER EQUALITY	 6 CLEAN WATER AND SANITATION
 7 AFFORDABLE CLEAN ENERGY	 8 DECENT JOBS, ECON. GROWTH	 9 INDUSTRY, INNOVATION, INFRASTRUCTURE	 10 REDUCED INEQUALITIES	 11 SUSTAINABLE CITIES, COMMUNITIES	 12 RESPONSIBLE CONSUMPTION & PRODUCTION
 13 CLIMATE ACTION	 14 LIFE BELOW WATER	 15 LIFE ON LAND	 16 PEACE AND JUSTICE, STRONG INST.	 17 PARTNERSHIPS FOR GOALS	

AGREEMENT BETWEEN

**THE GOVERNMENT OF DENMARK represented by
the**

AND

**THE INTERNATIONAL LABOUR ORGANIZATION represented by
the INTERNATIONAL LABOUR OFFICE**

PREAMBLE

WHEREAS, the Government of Denmark, (hereinafter referred to as “Donor”), has agreed to make a grant to the International Labour Organization, represented by the International Labour Office (hereinafter referred to as “ILO”), to support the implementation of the Better Work Programme Phase III (the “Programme”) (GLO/17/22/MUL).

WHEREAS, the contribution is made for the purpose of supporting the implementation of the Better Work Flagship Programme through a funding arrangement combining contributions received from multiple participating Donors (“pooled funding”). The entire Better Work Flagship Programme’s strategy – to which the present agreement contributes – covers the period from July 2017 to June 2022 and includes a global component and up to 12 country components, some of which will be financed (partly or entirely) by the pooled fund.

NOW THEREFORE, the parties hereby agree as follows:

Article 1: CONTRIBUTION

1.1. The Donor shall provide a contribution of DKK 20 million which shall be deposited in instalments in the ILO account as follows:

- DKK 7 million upon signature of the agreement;
- DKK 7 million in the 2nd Quarter of 2019, based on an update of the financial situation for the total budget and progress report covering 2018.
- DKK 4 million in the 2nd Quarter of 2020, based on an update of the financial situation for the total budget and progress report covering 2019.

- DKK 2 million in the 2nd Quarter of 2021, based on an update of the financial situation for the total budget and progress report covering 2019.

The disbursement schedule can be revised upon agreement of both parties depending on liquidity needs of the ILO. Writing confirmation by email is necessary.

- 1.2 The contributions shall be deposited in the following bank account:

Union de Banques Suisses (UBS) S.A.
Rue du Rhone 8; CH-1204 GENEVA, SWITZERLAND
IBAN: CH55 0024 0240 C080 0755 4
SWIFT: UBSWCHZH80A
Currency: DKK
Reference: **GLO/17/22/MUL**

- 1.3 The contribution is made for the purpose of implementing the Better Work Programme (which includes the Better Work Global Programme and Better Work country programmes) through a funding arrangement combining all contributions received from the participating Donors (“pooled funding”).

- 1.4 The ILO shall maintain a separate account expressed in U.S. Dollars where the contributions for the Programme from all donors to the pooled funding will be jointly accounted for, showing all income and expenditures. Contributions paid and expenditures incurred in a currency other than U.S. Dollars shall be converted into U.S. Dollars at the United Nations operational rate of exchange on the date of the transaction.

- 1.5 The ILO shall notify the Donor in writing if the contribution is insufficient to cover the Programme activities described in the Annexes under art. 14. In this event, the Donor and the ILO shall consult for the purpose of either increasing the contribution so as to cover the project activities or modifying the project activities to the level where the activities are covered by the contribution.

Article 2: SUPPORT COSTS

- 2.1. As shown on the attached budgets, the contribution shall cover the programme expenditures and support costs which are calculated at the rate of thirteen (13%) percent of direct project costs.

Article 3: ADMINISTRATION OF THE CONTRIBUTION

- 3.1. The ILO shall administer the contribution in accordance with its regulations, rules, directives and procedures.
- 3.2. The Donor acknowledges that the ILO cannot pre-finance Programme activities. If the contributions, or any part of them, are not received in a timely manner, the Programme activities may be reduced or suspended by the ILO with immediate effect.
- 3.3. The ILO shall not assume any liability in excess of the amount that it has actually received from the Donors.
- 3.4. The ILO will determine and modify the allocations within each individual component of the Programme as appropriate for its effective implementation. The distribution of the contribution across the components of the Programme will be jointly agreed by all Donors contributing to the pooled funding arrangement.

Article 4: PROCUREMENT AND RECRUITMENT

- 4.1. Goods or services will be purchased by the ILO for the Programme in accordance with its regulations, rules, directives and procedures.
- 4.2. If any equipment is purchased by the ILO for the Programme, the ILO shall prepare a report of non-expendable equipment within thirty (30) days of its closure. It shall be disposed of in accordance with the ILO's regulations, rules, directives and procedures.
- 4.3. The personnel assigned by the ILO to the Programme, shall be recruited, employed and supervised by the ILO on the basis of its regulations, rules, directives and procedures.

Article 5: FRAUD AND CORRUPTION

- 5.1. The parties share the common concern to fight corruption, which compromises good governance and the effective use of the resources allocated to development. No offer, gift, payment, consideration or benefit of any kind, the provision of which would constitute an illegal, corrupt or fraudulent practice shall be made, promised, sought or accepted (either directly or indirectly) as

an inducement or reward in relation to activities funded under this Agreement. Each party is expected to notify the other party of any such practices. The ILO will, within its own governance and policy framework, promptly notify the Donor of suspected or actual fraud and corruption cases detected. Any act of this nature may be considered as a sufficient ground to justify the termination with immediate effect of the present Agreement, if no corrective measure satisfying all Parties have been taken within 30 days. Any personnel, subcontractors or collaborators engaged in the implementation of Programme activities are expected to observe the highest standards of ethical conduct in the execution of their obligations.

Article 6: REPORTS

- 6.1. **Financial Report:** The ILO will provide the Donor with an annual financial statement of the Programme not later than 30 April each year, in respect of the financial activities. The financial statements, showing the funds received from all contributors to the pooled funding arrangement and expenditures by the pooled fund during the previous calendar year, shall consist of an extract from the ILO's accounts, as submitted for audit to the external auditor whose certificate will appear in the ILO's annual financial report. The ILO will provide the Donor with a final financial statement not later than 31 August 2022.
- 6.2. **Progress Report:** The ILO will provide the Donor with yearly consolidated reports, not later than 30 April, on the results obtained in the previous calendar year. The consolidated report shall report on the output indicators as provided in the Results Matrix (see Annex A3), adapted from the ILO Better Work Performance Plan.
- 6.3. **Final Report:** The ILO shall provide the Donor, at the end of the Programme and after activities are completed, with a final report covering all important aspects of the utilization of all the donors' contributions to the Programme, not later than 31 August 2022.
- 6.4. Evaluations, reviews and assessments sent to other donors participating in the pooled funding arrangement should be sent to Denmark within two weeks.

Article 7: MANAGEMENT ARRANGEMENTS

- 7.1.1 Relevant decisions regarding the implementation of the Programme and eventual modification thereof will be discussed and agreed by all donors

contributing to the pooled funding arrangement within the framework of the regular 6 monthly Standing Meeting of Donors.

Article 8: EVALUATION

8.1 The ILO shall carry out the evaluation of the Programme in accordance with its regulations, rules, directives and procedures, in close collaboration with the Donor.

8.2 The Donor retains the right to visit at its own expenses the projects or the activities financed by the pooled fund, by informing the ILO in advance.

Article 9: AUDITING

9.1 The contribution and associated activities and expenditures shall be subject exclusively to the internal and external auditing procedures provided for in the regulations, rules, directives and procedures of the ILO.

9.2 The Donor may request, at its expense, an audit of the Programme activities, contribution and expenditures by the external auditor of the ILO. If an audit is requested, both parties will agree on the Terms of Reference for the work to be undertaken.

Article 10: PRIVILEGES AND IMMUNITIES

10.1 Nothing in this Agreement or relating thereto shall be construed as constituting a waiver of the privileges and immunities enjoyed by the ILO.

Article 11: INTELLECTUAL PROPERTY RIGHTS

11.1. Intellectual Property Rights resulting from the Programme activities shall be vested in the International Labour Organization including without any limitation, the rights to use, publish, sell, or distribute, privately or publicly, any item or part thereof.

11.2 The ILO hereby grants to the Donor a permanent, irrevocable, worldwide, royalty-free, non-exclusive and non-transferable license to use any such material.

Article 12: VISIBILITY

12.1 The contribution by the Donor shall be explicitly acknowledged and/or mentioned in all major publications related to the Programme including, reports, press releases, videos, digital media, and other key external-facing material. The contribution by the Donor will also be mentioned in any material produced for conferences and symposiums financed under this agreement. ILO staff will also ensure donor representatives and/or relevant embassy staff are invited to attend and participate in major events

Article 13: DISPUTE SETTLEMENT

13.1 The Parties shall use their best efforts to settle amicably all disputes, controversies or claims arising out of or in connection with this Agreement or the interpretation thereof.

13.2 Any dispute, controversy or claim arising out of or relating to this Agreement which cannot be settled amicably within sixty (60) days - shall be settled by arbitration in accordance with the United Nations Commission on International Trade Law Arbitration Rules (UNCITRAL). The Parties agree to be bound by any arbitration award rendered in accordance with this provision as the final adjudication of any dispute.

Article 14: ANNEXES

14.1 Annexes form an integral part of this Agreement:

- Annex A: Development Engagement Document (also signed), including sub-annexes A1 to A9.
 - Annex A1 Context Analysis
 - Annex A2 Partners
 - Annex A3 Results Framework
 - Annex A4 Budget details
 - Annex A5 Risk Management Matrix
 - Annex A7 Plan for communication of results
 - Annex A9 Quality Assurance Checklist
- Annex B: Better Work Strategy
- Annex C: Better Work Global Flagship Project Document 2017-2022
- Annex D: Better Work Global Flagship Performance Plan
- Annex E: Global Gender Strategy
- Annex F1: Evaluation Report Better Work Phase III
- Annex F2: Impact Assessment by Tufts University
- Annex G: Better Work Communications Strategy 2018-19
- Annex I: Better Work Phase III - Final Technical Progress Report

In the event that the terms contained in Annexes are incompatible with those contained in this Agreement, then the latter shall govern and prevail.

Article 15: AMENDMENTS

- 15.1 The Parties may by their written mutual consent amend any of the provisions of this Agreement.
- 15.2 Due to changes from other donor countries, annexes may be amended or added by exchange of emails.

Article 16: VALIDITY

- 16.1 This Agreement shall remain in force for the duration of the Programme activities, unless terminated earlier by either Party in accordance with article 17.
- 16.2 The parties may decide to extend the validity of this Agreement by mutual written consent signed by their authorized representatives.

Article 17: TERMINATION

- 17.1. Either Party may give the other Party written notice of termination of this Agreement. Termination shall take effect 90 (ninety) days after receipt of the notice.
- 17.2. In the case of termination by the Donor the ILO shall not be obliged to repay any funds irrevocably committed in good faith by the ILO to third parties before the date of notice of such termination. Remaining funds shall be reimbursed by the ILO to the Donor in proportion to its funding to the Programme's pooled funding arrangement.
- 17.3. The obligations assumed by the ILO and the Donor under this Agreement shall survive its termination to the extent necessary to permit the orderly conclusion of activities, the withdrawal of personnel, funds, and property, as well as, the settlement of accounts between the Parties and the settlement or termination of contractual liabilities that are required in respect to any personnel, subcontractors, consultants, or suppliers.

Article 18: INTERESTS AND UNUTILIZED FUNDS

- 18.1. Any interest derived from the contribution shall be accounted for separately. After completion of the Programme and after all commitments and liabilities

incurred in the implementation of the Programme have been satisfied, any interest or any balance remaining unspent shall be returned to the Donor in proportion to its contribution to the Programme's pooled funding.

Article 19: APPLICATION OF ILO'S LEGAL PROVISIONS

19.1. For any matters not specifically covered by this Agreement, the appropriate provisions of the regulations, rules, directives and procedures of the ILO shall apply.

Article 20: LANGUAGE

20.1. The original of this Agreement has been written and signed in English. If this Agreement is translated into a language other than English, the English version shall govern and prevail.

Article 21: ENTRY INTO FORCE

21.1. This Agreement shall enter into force upon its signature by the authorized representatives of the Parties.

On behalf of the Danish Ministry of Foreign Affairs

On behalf of the International Labour Office

Mr Ole Thonke
Head of Department of Growth and Employment

Ms Rie Vejs-Kjeldgaard
Director, Department of Partnerships and Field Support

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Annex A. Development engagement document

1 Introduction

The present development engagement document details the objectives and management arrangements for the development cooperation concerning Better Work 2018-2022 as agreed between the parties specified below. The development engagement document is annexed to the Agreement between Denmark and the International Labour Organization (hereafter “ILO”) and constitutes an integrated part hereof together with the documentation specified below. The support to the Better Work Programme is provided in addition to the Danish core support to the ILO (FL2018 §06.38.02.15).¹

This support follows and builds upon the Danish grant to Better Work’s third phase (2012-2017, DK support from 2014 to 2016). The experiences from this phase are positive, as documented by an external evaluation carried out at the end of the third phase.

1.1 Parties

Ministry of Foreign Affairs of Denmark (MFA) and the International Labour Organization (ILO).

1.2 Documentation

“The Documentation” refers to the partner documentation for the supported intervention, which is

- Amplifying Impact: Better Work Strategy 2017-2022 (Annex B)
- Better Work Global Flagship Project Document 2017-2022 (Annex C)
- Better Work Global Flagship Performance Plan (Annex D)
- Better Work Global Gender Strategy 2018-2022 (Annex E)
- Evaluation Report Better Work Phase III and Impact Assessment by Tufts University (Annex F1 and F2)
- Better Work Communications Strategy 2018-19 (Annex G)
- Better Work Phase III - Final Technical Progress Report (Annex I)

1.3 Contributions

Denmark, represented by the Department for Growth and Employment at the Danish Ministry of Foreign Affairs, commits to a contribution to the engagement of

DKK 20 million (twenty million Danish kroner) for the period December 2018 to June 2022.

2 Background

2.1 Context

The garment industry offers formalized employment to over 60 million workers worldwide, the majority of whom are female. The sector account for a substantial part of exports in a large number of developing countries. Bangladesh is a case in point, where the sector is responsible for close to 80% of total exports.

The sector provides great potential to contribute significantly towards industrialization and inclusive growth, and to provide employment opportunities, especially for young women. Approximately 80% of garments workers worldwide are female, typically between the ages of 18-35, and many have migrated

¹ Provided to the Regular Budget Supplementary Account.

from rural areas into their first formal employment in order to support themselves and their families. A decent job in the garment sector offers an escape route from poverty for millions at the bottom of the global income distribution.

However, lax occupational safety and health standards, verbal abuse, flawed human resources practices, sexual harassment, and gender biases mean that this opportunity does not come without risks. Factories may perceive good working conditions as a cost as opposed to a benefit, and investment in improved safety regulations or better industrial relations may not be a priority for business owners.

Garment producing countries often lack the capacity to enforce legislation due to weak labour inspectorates effectively. Awareness of the law among both workers and employer is often lacking and the culture of compliance is weak. Further, trade union density is often low and collective bargaining agreements are still rare. Due to the low institutional capacity to govern the labour market many factories do not respect workers' basic rights and continue to allow for poor working conditions and human rights violations. As a solution, many international buyers have attempted to improve compliance by auditing their supplier factories against their own or external standards of conduct, but these have been criticized as ineffective, duplicative and for being a distraction from building stronger capacity in the public sector to oversee working conditions.

2.2 Justification and Strategic Considerations

Better Work seeks to address these problems by offering specific services to factories aimed at increasing worker-employer dialogue and working conditions. This is done in close collaboration with global textile brands as well as host country governments.

The overall objective of Better Work contributes to several thematic priorities in the Danish strategy for development cooperation and humanitarian action, The World 2030. Supporting Better Work will contribute to the Danish priorities to promote sustainable inclusive growth, gender equality and well-functioning labour markets through effective social dialogue.

In line with Danish priorities, Better Work is fully aligned with the SDGs, and especially contributes to SDG8 (Promote inclusive and sustainable economic growth, employment and decent work for all), SDG 5 (Achieve gender equality and empower all women and girls), SDG1 (combatting poverty) and SDG 17 (Partnerships for the goals).

The Better Work approach is human rights based, founded in ILO principles to promote social justice and internationally recognized human and labour rights, pursuing the ILO's founding mission that social justice is essential to universal and lasting peace.

2.2.1 Scale through Partnerships

Better Work's overall objective is to contribute to a global garment industry that lifts millions of people out of poverty by providing decent work, empowering women, driving business competitiveness and promoting inclusive economic growth. Better Work has already reached two million workers and will increase impact to three million in the current program phase (2017-2022). This provides an opportunity for Denmark to support change at a larger scale than what would have been otherwise possible.

A key strength of Better Work is that it works in broad partnership with international business partners (buyers, brands, retailers, and manufacturers), international employer and worker organisations, donors, academia, CSR initiatives and labour rights NGOs.

In its first three phases, Better Work has proven that decent jobs and ensuring workers' rights increases competitiveness demonstrating the business case of compliance. In the ongoing programme phase, Better Work continues to provide services that demonstrate positive changes in business, but will increasingly focus on scaling impact. The business case is a strong incentive for business adapting to the Better Work principles and improves the likelihood of the model being replicable at a larger scale. Better Work will harness the competitive advantage of the ILO, the IFC, and the World Bank Group to further influence change not only at the factory level, but also at the industry, national, regional and global level by collaborating with both the private and public sectors.

2.2.2 Gender

Workers in global supply chains, in particular young women, are the ultimate beneficiaries of the programme. Women represent 76 percent of workers engaged in the Better Work programme. They tend to be employed in low-skilled, low-value occupations in the production process, whereas men are more likely to be employed in higher-wage and leadership positions. Because of negative cultural and gender norms, recruitment and employment in the garment industry is rife with gender discrimination. Good quality jobs catalyse women's economic empowerment, offer social protection and measures to balance work and family, and operate in an environment free from discrimination and harassment. Women's empowerment is a key outcome of Better Work in and of itself, but is also critical to achieving the remaining objectives. Better Work's renewed strategic focus on gender equality and women's economic empowerment as described in the Global Gender Strategy 2018-2022 (Annex E) is aligned with Danish priorities. It is of key importance that Better Work continue the effort to embed gender equity in all its operations, ranging from in-factory services, to policy influencing, to country programme strategies, including access to sexual and reproductive health and rights in line with this gender strategy.

2.2.3 Social Dialogue

In Better Work, ILO uses its experience in promoting more well-functioning labour markets through effective social dialogue at the factory level aimed at catalysing sound and productive labour relations at the sectoral level by working with employers and workers' organizations to strengthen their capacity on compliance and social dialogue.

Capitalizing on the expertise of other ILO branches, Better Work in its role as the ILO flagship programme for the garment industry will make a coordinated effort in promoting social dialogue among employer and worker organisations at the country level. In countries where Better Work is reaching a critical mass in terms of industry coverage, Better Work will engage and support global union and employer associations to build the capacity of their affiliates at country level.

Wherever possible, synergies to ongoing Danish efforts to promote well-functioning labour markets and social dialogue will be explored. This is particularly the case in Bangladesh, where the strategic sector cooperation, the labor market consortium of Danish actors and the bilateral programme on textiles are relevant interfaces.

2.2.4 SDG Contribution

Better Work will contribute to advancing the global dialogue for better working conditions, focusing the attention of the ILO, IFC and World Bank Group on the contribution to the SDGs.

Better Work combats poverty (SDG1). Within the targeted goals, Better Work will work towards eradicating poverty (target 1.1) and reducing half the proportion of men, women and children living in poverty (1.2) by promoting the expansion of decent work opportunities in the garment industry. Related activities are mainstreamed through Better Work's work at the factory level to improve working conditions, productivity and through policy work.

Furthermore, Better Work will contribute towards creating sound policy frameworks that include pro-poor and gender sensitive development strategies through work on national and international policy.

Better Work contributes to increased gender equality, as the vast majority of Better Work's beneficiaries are women. Better Work has contributed and will continue to contribute towards ending discrimination towards women (target 5.1) and ensuring equal opportunities for leadership (target 5.5) by reducing the pay gap, promoting fair wage structures and incentives at work, and increasing women's opportunities for promotion on the factory floor. By providing training and advisory services targeted at curbing verbal abuse and sexual harassment, Better Work has reduced violence against women (target 5.2). Better Work has also improved access to maternal health care (target 5.6) in factories, and plan to continue to put focus on access to maternal health services and proper compliance with maternity leave requirements. Better Work's policy work will promote a gender lens in the development of all policy suggestions, and will include suggested mechanisms to reduce gender discrimination and promote the empowerment of women via decent work.

Better Work contributes directly to almost all targets under SDG 8. Better Work help sustain per capita economic growth (target 8.1), promote development oriented activities and decent job creation (target 8.3) and achieve full and productive employment (target 8.5). This happens in a variety of way, particularly by:

- Improving in the enabling environment for business working in the garment industry, in collaboration with other programmes and staff at the ILO and the World Bank Group.
- Promoting productivity at the factory level by improving supervisor relations, social dialogue and technical skills in productivity (e.g. line management)
- Improving access to finance by connecting Better Work Buyer Partners and factories with IFC's innovative financial services. Furthermore, the work with gender outlined above and Better Work's planned work with youth outlined below ensure inclusivity in these tasks.

Through in-factory facing services, Better Work promotes labour rights, pushes for safe and secure working environments (target 8.8) and tackles the eradication of forced labour and child labour (8.7).

Better Work in-factory facing services promote technological upgrading and value-add (target 8.2) to ensure that technology is harnessed in a way that allows factory jobs to be safer, more efficient, and more productive.

Better Work contributes to SDG 17 by finding solutions to all of the above in partnerships with all relevant competencies to tackle

2.3 Theory of Change

Better Work strives for a global garment industry that lifts millions of people out of poverty by providing decent work, empowering women, and driving business competitiveness and inclusive economic growth.

Independent research and impact assessment data demonstrate that Better Work's in-factory services improve compliance with ILO core labour standards and national legislation. Better Work provides an assessment of workplace compliance resulting in time-bound improvement plans against which progress is regularly reported to the factory and its customers. Better Work facilitates dialogue between workers and managers on improvement measures and builds their capacity to implement changes through training. Compliance improvements translate into greater worker wellbeing. When factories are compliant and workers report higher wellbeing and satisfaction, there is a clear impact on productivity and profitability. Improving working conditions through Better Work leads to improved competitiveness in the garment GSC.

As the workforce in the garment industry is predominantly female, empowerment of women is key to achieving sustainable change. Better Work directly targets this outcome through its interventions, and evidence shows that when women have a voice, are represented and are in a position of leadership in factories, better conditions and higher productivity are achieved.

The root causes of poor working conditions can lie beyond the workplace. Creating sustainable change also means addressing business dynamics within the supply chain and structural weaknesses in labour market governance. Better Work collaborates with global retailers, brands and manufacturers to adopt the business practices that drive decent work outcomes and competitiveness across their supply chains, sharing lessons learned through Better Work operations and research.

To shape policy and practices at the national, regional and global levels Better Work leverages the influence of its parent institutions. The ILO and the World Bank Group have different but complimentary roles to promote inclusive economic growth and decent work. The ILO strengthens the capacity of national institutions, employer and worker organizations to improve the governance of labour markets in multiple ways, including through more effective law enforcement, industrial relations, and mechanisms for dispute resolution and minimum wage setting. The World Bank Group advises governments on strategies to create jobs, attract and retain investment, and promote business and sector competitiveness. The IFC has recognized Better Work as a driver for quality jobs in a labour-intensive industry in which the organization facilitates financing. Closer cooperation to align policy advice and development cooperation will maximise impacts on the enabling environment for more and better jobs. Both the World Bank Group and the ILO also influence the global policy debate on decent work, trade and the SDGs. Better Work's evidence and experience can inform such debate by demonstrating that holding a quality job in the global garment industry is a vector for broader economic and social development, especially for women.

This approach harnesses the unique competencies of both ILO and World Bank Group to promote better jobs in the garment sector with coordinated interventions at the work place, in the supply chain, in policy and practice at sectorial and national level, while also seeking to influence relevant policy in the global arena. These interventions aim to impact more than 3 million garment workers and their family members lifting them out of poverty through decent work, empowering women, and through achieving business competitiveness contributing to inclusive economic growth.

See figure 1 below for a graphic illustration.

Driving Impact: The Better Work Approach to Change

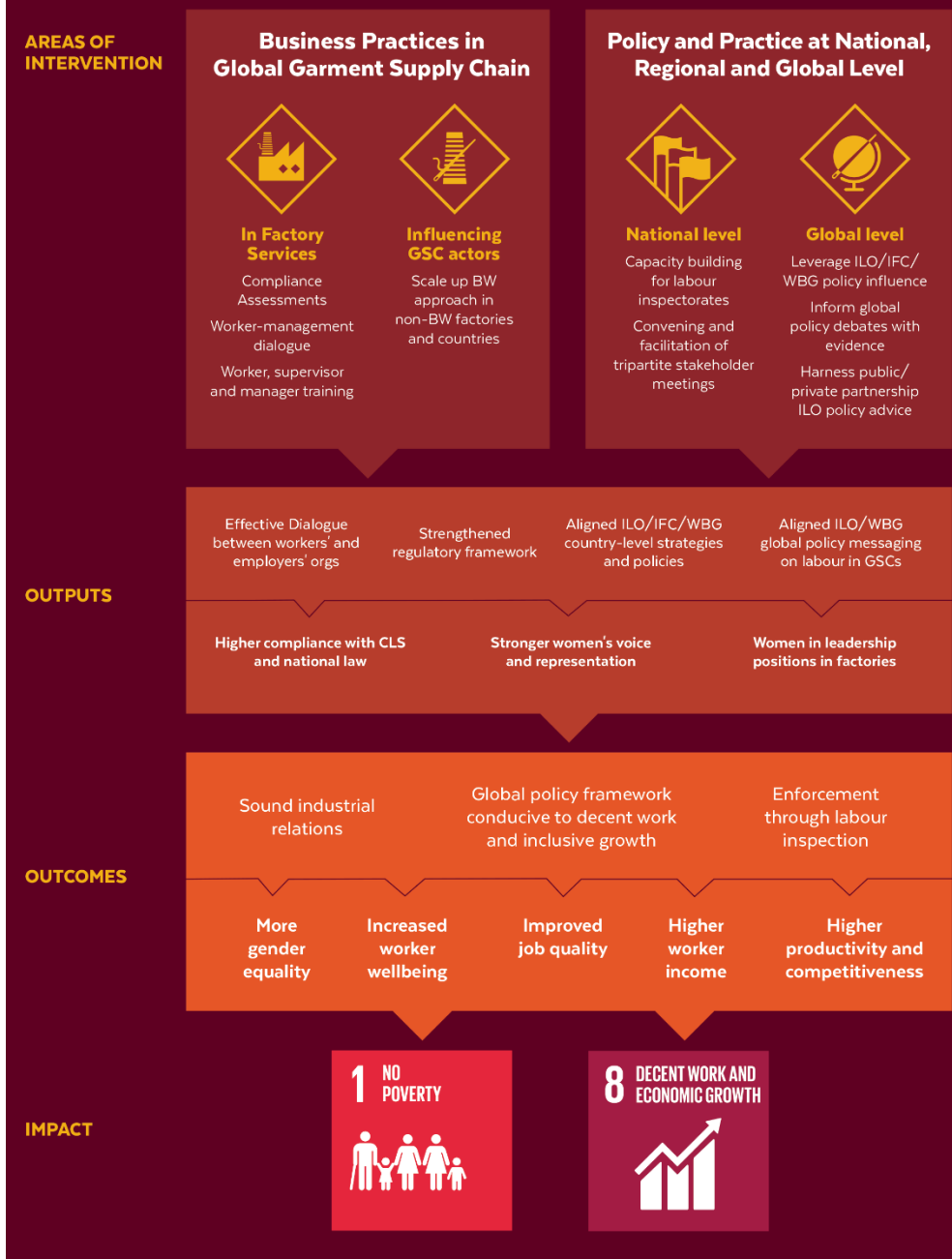


Figure 1: Better Work Theory of Change

3 Results from Previous Support and Lessons Learned.

Denmark supported an earlier phase of the Better Work Programme from 2014-16 (85.c.1.g / 2014-15321), technically part of the Better Work Stage III (2012-2017). Denmark contributed DKK 15,000,000 and participated regularly in the Better Work Advisory Committee. The experiences from this support were positive. As a global flagship programme, Better Work has managed to create momentum and to unite brands, governments and factories around the important but difficult task of improving working conditions in a sector that is often poorly regulated and supervised, but that provides jobs for a large share of the world's poorest people - especially young women.

In phase 4 (2017-2022), ILO will strengthen the following aspects of Better Work:

- Stronger focus on gender equality, including the development of a global gender strategy and a global gender log-frame (to be finalised in 2019).
- Higher degree of involvement of industry beyond CSR-departments, including direct contact with sourcing departments.
- More emphasis on the local, country specific regulatory and institutional frameworks, among other things through in-placement of staff in labour inspections.

Lessons learned from the previous phase are detailed in the internal Final Technical Progress Report (Annex I), in an external evaluation of the second part of Better Work phase III from July 2015 to June 2017 (Annex F1) and in an Impact Assessment carried out by Tufts University (Annex F2).

Prior to the present engagement, MFA has consulted the private sector cluster of Danish stakeholders with strategic partnerships agreements. Their input have been communicated to ILO and incorporated where feasible.

3.1 Conclusions from the Evaluation of the Previous Phase

3.1.1 Relevance and Strategic Fit

The evaluation of phase III confirmed that Better Work takes up a unique position when it comes to social upgrading of global garment supply chains due to its size, specific institutional set-up, and its multi-pronged approach, and is well aligned with international agendas. All stakeholders consulted by the evaluation confirm support for Better Work's strategic re-orientation in expanding its focus to the national, sectoral and global level. The attractiveness of the programme for international brands relates to its credibility (involvement of ILO and the World Bank Group), its attention for compliance monitoring in combination with social and economic upgrading efforts, and its engagement with stakeholders across the value chain. Within ILO, Better Work has the status of a Flagship programme; it has become the reference programme for ILO's work on global supply chains, and is widely recognized for its innovative engagement with the private sector and the IFC.

3.1.2 Project Progress and Effectiveness

Scale, quality and effectiveness in the service delivery

By crossing the 2 million mark of workers employed by factories under the Better Work programme, Better Work achieved its June 2017 target. The number of participating factories increased by more than 900 between 2012 (583 factories) and 2017 totalling 1,486 at the end of phase III, which represents 90% of the

2017 target of 1640 factories. The rollout in the footwear industry is slower than anticipated mainly due to insufficient resources to make headways in this sector. It has also been stated that despite its relevance, this new line of action exceeds by far the actual capabilities of the programme. The same period included a geographical expansion to new areas (in Vietnam) and a new country (Bangladesh). The cooperation with Lesotho was terminated. Feasibility studies were done for new programmes in Ethiopia, Myanmar and Egypt and a programme in Ethiopia was launched. Monitoring data shows that, during the period under review, every Better Work country programme either maintained or improved compliance for the majority of the compliance points. Better Work is exploring the possibility of scaling its methods to countries without a dedicated Better Work Office by licensing its training and advisory material, based on positive experiences upon the piloting of the Better Work Academy training and the Supervisory Skills Training.

Under the leadership of the IFC team, Better Work recently completed a 12-month environmental compliance pilot project in Vietnam. In conversations with the Sustainable Apparel Coalition, Better Work developed an approach based on helping factories achieve compliance with national environmental regulations, which is a requirement of the HIGG Index, but for which there is a current lack of attention or adequate training. The pilot provided advisory and training to help 30 factories understand national environmental legislation, assess the extent to which they comply with these requirements, and develop improvement plans to address issues of non-compliance. Because of the intervention, two-thirds of the participating factories reduced 70% of the gap between their practices and national requirements.

Regardless of the positive results, the program has concluded that its expertise in environmental questions is not sufficient to address these issues cost-effectively at scale. Better Work will need to identify a global implementing partner with expertise in environmental compliance in order to continue to offer environmental services.

Influencing policy at the national and sectoral levels

This emerging area of work was new to most country teams, but entry points were identified, and Better Work managed to contribute to policy reforms in most countries. Examples of contributions to policy reforms reported in Jordan, Indonesia, Bangladesh, Lesotho and Egypt. Country teams have been guided by the global Better Work office to draw up policy influencing strategies. Collaboration with other ILO units remains a challenge in many, though not all, Better Work countries. At global level, Better Work contributed to ILO policies and practices for the 2016 ILC session on global supply chains, and during the ILO 2016 meeting of experts on Violence at Work. The impact assessment has been instrumental in supporting policy work at country level and within ILO and IFC. The use of the research outside the close group of Better Work stakeholders has been limited, such as in the academic community and amongst business and human rights experts in OECD countries. Aside from the IFC partnership, Better Work is careful in collaborating with external multi-stakeholder initiatives or institutions to avoid reputational damage or loss of credibility.

Engagement with buyers

The interaction with brands has become more structured through the development of partnership agreements, which stipulate mutual expectations between the brands and Better Work, for example related to the relationships with their suppliers and other areas of attention for brands' supply chain practices. The target for the number of buyers improving partnership commitments was surpassed. However, Better Work is still searching for ways to give sufficient weight to the partnership reviews, including improving the engagement of the purchasing departments. The work on sourcing practices is not

yet developed inside the partnership agreement. The Better Work Academy has turned out to be a new and promising way of engaging with brands. Better Work has been productive in developing new materials (5) and organizing events (12) for buyers: manuals, leaflets, newsletters, business updates, webinars, and forums.

3.1.3 Efficiency of Resource Use

Although the picture is incomplete due to gaps in the available data, there are indications that efficiency receives sufficient attention, both at Better Work Global and at country level. Better Work staff assess the new service delivery model as more effective than the earlier model, but not necessarily more efficient. The restructuring of the Better Work global office has improved efficiency for the Asian Better Work countries, with only small or no inconveniences for other Better Work countries in Africa and the Americas. At an operational level, problems continue to emerge with the IT backbone of the compliance monitoring system (STAR). The system is described by several insiders and outsiders as slow and rigid, and lacking features to extract aggregated or consolidate data from the system.

3.1.4 Effectiveness of Management Arrangements

Better Work is a self-critical, evidence-based and responsive programme, as witnessed through the systematic research and evaluation uptake and its focus on learning-oriented events with multiple stakeholders. In view of Better Work's expanding agenda (more countries, new instruments, and increased activities at the national and global level), the complexity of the programme increases, which in turn is likely to require more expertise to deal with political-economy issues. The Better Work support for the country programmes, including the internal capacity-building programme is highly regarded by managers of these programmes and national staff. The organizational culture in the programme is neither hierarchical, nor centralized or bureaucratic. There are relatively few tensions between field staff and HQ for a programme of this size and complexity. The decentralization of part of the HQ to Bangkok has been well absorbed, with overall a positive assessment of the new set-up. The integration of the different monitoring systems and framework is not finished (challenges with the STAR database system are described under efficiency). The overall governance of Better Work is satisfactory, including the functioning of the advisory structures and management. Additional efforts have been made to optimize synergies within the ILO – IFC partnership, including the appointment of dedicated officers and improved communication protocols. Progress has been made behind the scenes in terms of structures and capacity, but the outcomes are emerging rather slowly, especially at the country level, where incentives for intensified collaboration seem to be missing, together with time constraints, and a lack of information. Issues have been raised concerning the incorporation of the environmental component into the service model. For some stakeholders it remains unclear if this is really desirable, realistic and a priority for Better Work.

3.1.5 Impact

The impact assessment research has provided strong and robust evidence that at ground level the programme's theory of change works and its immediate effects are able to trigger further changes in peoples' lives and factories' productive practices.

3.1.6 Financial Sustainability

Better Work's fundraising status is generally strong, but with shifting donor engagements, maintaining the cash flow has been difficult at times during Phase III. One response has been the development of a pooled funding mechanism. There are encouraging figures of cost recovery in Asian country programmes: Cambodia 95%, Indonesia 71%, Vietnam 61%. There is agreement that cost-recovery cannot be achieved for countries with small garment industries. A new price recovery system, with price increases in 2017-2018, has been accepted by factories and brands. More attention was paid to country sustainability strategies after problems with the exit in Lesotho. Most advanced institutionalization is happening in Indonesia (through a foundation), and Jordan (through advanced cooperation with the inspectorate), in other countries there is no breakthrough yet.

3.2 Lessons Learned

3.2.1 Exit strategies for small countries need to thoroughly consider the specific characteristics and requirements of this group of countries. There are not blueprint scenarios for the institutionalization of Better Work at country level, every country has its specific needs. ILO should consider offering specific services to support the exit, particularly for small countries.

3.2.2 Impact research assessments can have many applications beyond establishing the impact of the programme. They can provide very valuable inputs for decision making, policy influencing and communication purposes, if this is anticipated from the inception phase and strong management buy-in is achieved. The programme has demonstrated that the pre-identification of relevant research questions, the uses and applications for the different components of the research interventions, resulted in higher buy-in by management and programme staff. The investment in a separate research unit, which closely interacts with operational units, has been one of the success factors.

3.2.3 No specific component of the Better Work approach can be singled out as the most decisive or key component, rather, it is the combination that makes the approach effective. All of them can surely prove certain degree of effectiveness in improving working conditions in the garment industry but the impact assessments carried out by Tufts University conclude that the differential element of the Better Work approach is not one element in particular to be more effective than any of others. It is the holistic approach that makes the programme such a relevant and effective intervention. The main challenge for the future is to institutionalise the various components of the programme without losing the added value and coherence of an integrated delivery of all the components together.

3.2.4 The process of geographical relocation of an office is smoother when the managerial and technical staff are as much as possible maintained in their previous roles following the move. For some internal actors, this is a lesson learned that the organization should take into account when embarking on decentralization processes such as the one mentioned here. The continuation in their roles of the human resources facilitates the transition to the new structure and minimizes the risks of losing operational capacity.

4 The Partners

The ILO is a specialized UN agency. With its unique tripartite composition, the ILO is well placed to address the labour market challenges in the global garment sector supply chain. The ILO is engaged with the issue of global supply chains from the factory floor to the highest political level, including through the general

discussion on the issue that was held at the 2016 International Labour Conference. The ILO has extensive in-house expertise on issues pertaining to the garment sector, as well as the related issues of gender equity and decent work.

4.1 ILO-IFC Partnership

Better Work is jointly implemented by the ILO and the IFC. IFC, a member of the World Bank Group, is the largest global development institution focused on the private sector in emerging markets. Working with 2,000 businesses worldwide, the IFC complements the ILO with its ability to mobilize the private sector, which is crucial to the Better Work programme. Better Work’s phase IV’s focus on policy work increases the importance of strong collaboration with a range of actors, including between ILO and World Bank Group. Both institutions also complement each other because they are different in nature, and because they interact with different government institutions (in the case of the World Bank and ILO) and with different departments within the same apparel brands; IFC typically interacts with brands’ finance and treasury teams whereas ILO interacts with the sustainability and sourcing teams.

5 Development Engagement Objective and Results Framework

The Development Engagement Objective is to contribute to a global garment industry that lifts millions of people out of poverty by providing decent work, empowering women, driving business competitiveness and inclusive economic growth.

The MFA will base the actual support on progress attained in the implementation of the engagement as described in the documentation. Progress will be measured through the ILO’s monitoring framework.

For Danida’s reporting purposes the following key outcome and output indicators have been selected from the Better Work Global Flagship Performance Plan (Annex D) to document progress:

Project title		Better Work	
Project objective/ Development Engagement Objective		A global garment industry that lifts millions of people out of poverty by providing decent work, empowering women, driving business competitiveness and inclusive economic growth	
Impact Indicator		Number of garment workers reached	
Baseline	Year	2017	2.136 million
		2018 (June)	2.195 million (reported), 76% women
Target	Year	2022	3.221 million
Outcome 1		By 2022 BETTER WORK will have accelerated improvements in working conditions and business competitiveness through in-factory services	
Outcome 1 indicator		Number of factories with effective worker-management committees	
Baseline	Year	2017	200/1500 (13%)
		2018 (June)	14% (reported)
Target	Year	2022	800/2500 (32%)
Output 1.1		Better Work services are expanded (including beyond existing Better Work factories and countries)	

Output indicator		Number of factories serviced and trained ²	
Baseline	Year	2017 ³	1,553
Annual target	Year 1	2018	1,599 ⁴
Annual target	Year 2	2019	1,800
Annual target	Year 3	2020	2,000
Annual target	Year 4	2021	2,300
Target	Year 5	2022	2,500
Output 1.2		Efficiency and quality of service provision is increased	
Output indicator		Percentage of factories in compliance with all publicly reported issues	
Baseline	Year	2017 (full year)	8%
Annual target	Year 1	2018 (June)	16%
Annual target	Year 2	2019	18%
Annual target	Year 3	2020	19%
Annual target	Year 4	2021	20%
Target	Year 5	2022	22%
Output 1.3		Gender equality issues are embedded into the core service delivery	
Output indicator		Percentage of Performance Improvement Consultative Committee (PICC) management representatives that are women	
Baseline	Year 0	2017	n/a [new indicator]
Annual target	Year 1	2018 (June)	42%
Annual target	Year 2	2019	43%
Annual target	Year 3	2020	48%
Annual target	Year 4	2021	52%
Target	Year 5	2022	56%
Outcome 2		By 2022, Better Work will have influenced global retailers, brands and manufacturers in the establishment of business practices that promote decent work outcomes in supply chains	
Outcome indicator		Number of business partners demonstrating evidence of commitment to improving their social/labour performance and competitiveness	
Baseline	Year	2017	133
		2018 (June)	153

² This is the total number of factories Better Work engages with.

³ Baseline beginning of Better Work's stage IV in July 2017

⁴ Our programme in Vietnam had previously also counted factories which they have served in the past, but who dropped out of the programme in the course of the past years (around 140 factories). They are now using consistent way of calculating only the active factories. This explains why the numbers in 2017 and 2018 are not fundamentally different.

Target	Year	2022	370
Output 2.1		Better Work business partners integrate Better Work methodologies in their supply chains	
Output indicator		Number of business partners participating in the Better Work Academy	
Baseline	Year 0	2017	0
Annual target	Year 1	2018 (June)	3 (reported)
Annual target	Year 2	2019	6
Annual target	Year 3	2020	8
Annual target	Year 4	2021	9
Target	Year 5	2022	10
Output 2.2		Selected Better Work business partners are supported in testing different approaches to change their sourcing practices	
Output indicator		Number of business partners/participants	
Baseline	Year 0	2017	33/100
Annual target	Year 1	2018 (June)	37/116
Annual target	Year 2	2019	41/167
Annual target	Year 3	2020	44/217
Annual target	Year 4	2021	47/268
Target	Year 5	2022	50/320
Outcome 3		At the national level, ILO, IFC and the World Bank Group will have strengthened institutions and influenced policies that create an enabling environment for decent work and improved business competitiveness.	
Outcome indicator		Number of countries where ILO has developed a joint strategy for all its different interventions in the garment sector	
Baseline	Year	2017	0
		2018 (June)	1 (Ethiopia)
Target	Year	2022	10
Output 3.1		The capacity of labour inspectorates to promote compliance is strengthened	
Output indicator		Number of coordinated visits to Better Work factories conducted by labour inspectors	
Baseline	Year 0	2017	0
Annual target	Year 1	2018 (June)	50 (reported)
Annual target	Year 2	2019	250
Annual target	Year 3	2020	500
Annual target	Year 4	2021	750
Target	Year 5	2022	1000

6 Risk Management

Agreed risk management is as described in Annex A5 as well as in the programme document's chapter 5: Risk Analysis and Mitigation Measures, Annex C, pp. 34-36.

Three of the most important risks, and their corresponding mitigation, include:

- Changes in trade agreements or the rising cost of production in a given country will impact brands' sourcing decisions.

Mitigation: While there is little Better Work can do to alter trade agreements, working together with governments and speaking with brands and buyers, Better Work can at a minimum have an idea of how Better Work countries may be impacted by changes in trade agreements and sourcing, and align our advice and programme appropriately.

- Lack of willingness of factories to improve compliance with ILO standards.

Mitigation: Better Work is developing a strategy to deal with persistent non-compliant factories, including working more directly with the labour inspectorate to sanction these businesses. Furthermore, Better Work reinforces buyer-backed standards and expectations.

- Political resistance in countries with little or no experience in social dialogue to engage with the programme.

Mitigation: All current Better Work country programmes support Better Work and improved compliance. Better Work has developed a series of criteria for entering a new country, including ensuring high level of support from the government.

7 Inputs/budget

The total Danish support for Better Work 2018-2022 is DKK 20 million to be disbursed to the ILO as earmarked support to the Better Work pooled fund in four tranches, DKK 7 million in 2018, DKK 7 million in 2019, DKK 4 million in 2020 and 2 million in 2021.

7.1 Overall Budget (2019-2022)

For reasons of aid effectiveness and efficiency, the Danish contribution is provided to the Better Work pooled fund. Therefore, there is no separate budget for the Danish contribution. In order to align with ILO procedures, the Danish grant is based on the overall budget for the joint donor fund, which is included below.

Budget figures cover costs at global level (for example at the Better Work secretariat in Geneva), as well as country programmes in Bangladesh, Cambodia, Ethiopia, Haiti, Indonesia, Jordan and Vietnam. They do not include budgets for new country programmes which might be introduced during the period.

<i>All figures in USD</i>	2019	2020	2021	2022	Total
All outcomes/Activities	5,955,469	6,364,222	6,417,095	6,450,758	25,187,545
Management and Oversight*	10,538,874	11,169,481	11,168,904	11,421,659	44,298,919
Support Costs	2,146,663	2,363,406	2,427,835	2,463,081	9,376,921
Programme Support Costs	1,919,577	2,054,190	2,059,689	2,095,623	8,129,080
Provision for cost increase	227,085	309,216	368,146	367,457	1,247,841

	18,641,006	19,897,109	20,013,834	20,335,498	78,863,384
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*Includes costs for staff involved in programme implementation.

ILO's internal financial systems do not currently allow budgeting and financial reporting at outcome or output levels. During the 2017-2022 period, ILO will take steps to enable global financial reporting at outcome level.

8 Management Arrangement

The parties have agreed to the following management arrangement with the aim to ensure adequate dialogue and timely decisions concerning this development engagement.

The Better Work programme is overseen by the Better Work Management Group (Board), the Better Work Advisory Committee and the Standing Meeting of Donors. The division of labour and responsibilities is described in the following.

Better Work Management Group is comprised of senior officials from the ILO and the IFC and act as a decision-making body that provides strategic direction and oversight to the Better Work programme. Working closely with Better Work's Director and senior management team, the Management Group supports and guides the programme to ensure its effectiveness and longevity.

The Better Work Advisory Committee is a multi-stakeholder committee comprised of representatives from donor governments, international employers' and unions, as well as from international buyer partners and experts from academia, research organizations and think-tanks. The committee advises the Management Group on the overall Better Work programme, especially with regard to strategic direction including expansion to new countries. Cases of countries to be considered for expansion of the Better Work programme are presented to the Advisory Committee, which then gives advice to the Better Work Management Group. Key donors sit on the Advisory Committee and provide the Management Group with guidance on issues, including public policy related to trade and labour.

Additionally, the Standing Meeting of Donors meets biannually to account for the use of donor funds and discuss future direction as well as our current progress against international development indicators, such as the UN's Sustainable Development Goals.

Relevant decisions regarding the implementation of the programme and eventual modification thereof will be discussed and agreed by all donors contributing to the pooled funding arrangement within the framework of the regular 6 monthly Standing Meeting of Donors.

MFA follows the programme by participating in the above-mentioned Standing Meeting of Donors and the Better Work and annual advisory committee meetings. MFA also follows the broader work of ILO and is a Regular Budget Supplementary Account (RBSA) donor (core donor). Current annual support level is DKK 9.5 million.

Elaborated management arrangements are described in Annex C, chapter 7: Management Arrangements pp. 40-47.

9 Financial Management

Both parties will strive for full alignment of the Danish support to the implementing partner rules and procedures.

9.1 Transfer of Funds

The contribution by the MFA will be disbursed in four tranches as specified in the table below and will be paid in Danish Kroner. The first tranche will be disbursed following the signature of the Agreement and the Development Engagement Document and upon receipt of a disbursement request from the ILO. The following tranches will be disbursed following the receipt of updates of the financial situation for the total budget and progress report covering the previous financial year as specified in the partner agreement and upon a disbursement request from the ILO.

Tranche	Year
1. DKK 7 million	2018
2. DKK 7 million	2019
3. DKK 4 million	2020
4. DKK 2 million	2021

The largest disbursements are made in the first half of the programme (2018-2020). ILO expects to mobilise additional funds for the period covering 2021-2022.

Danish Funds are earmarked to the Better Work programme.

The ILO must return a letter or email with acknowledgement of receipt of funds.

Any loss due to the variation of exchange rates between the grant in DKK and the national currency must be covered within the grant and changes to the agreed deliverables due to significant variation should be agreed between the parties.

9.2 Accounting Requirements

Reference is made to article 3 of the agreement.

The total budget for support by the MFA cannot be exceeded and shall be used for the agreed purposes only.

ILO's annual certified financial statements must show a list of income received from different contributors to the pooled funding arrangement, including information on the Danish contribution.

10 Monitoring and Evaluation

The ILO shall carry out the evaluation of the programme in accordance with its regulations, rules, directives and procedures and in close collaboration with the MFA. The programme foresees an independent mid-term evaluation in 2020 and a final independent cluster evaluation in 2022.

The MFA shall have the right to carry out any technical mission that is considered necessary to monitor the implementation of the programme.

After the termination of the programme support, the MFA reserves the right to carry out evaluation in accordance with this article.

11 Entry into Force

The Danish cooperation with the implementing partner will become effective upon signature of the Development Engagement Document and the Partner Agreement.

12 Anti-corruption

Reference is made to article 5 of the agreement.

13 Signatures

For the International Labour Organisation

Name and title:

Date

Signature

For the Ministry of Foreign Affairs of Denmark

Name and title: Ole Thonke, Head of Department for Growth and Employment

Date

Signature

Annex A1: Context Analysis

1. Overall development challenges, opportunities and risks

Briefly summarise the key conclusions from the analyses

Much of the poverty reduction that has taken place during the last 25 years has happened because farmers have moved from agriculture in rural areas to jobs in towns. As such, the global garment sector provides great potential to contribute significantly towards industrialization and inclusive growth, and to provide employment opportunities, especially for young women. However, lax occupational safety and health standards, verbal abuse, flawed human resources practices, sexual harassment, and gender biases mean that this opportunity does not come without risk.

Recent research confirm this paradox of industrial labour: Research shows that wages are higher than alternative options, including informal jobs or agriculture. However, the underlying methodologies are often weak. A recent, and more thorough, study found that factory workers are only sometimes slightly better off with a job than without one, but that the health risks in any case are very high.¹ The Better Work programme acknowledges the potential of the global garment industry to improve income, welfare and human rights for millions of vulnerable people, particularly young women, while addressing the most binding constraints to fulfilling this potential: improvement in working conditions.

Garment producing countries often lack the capacity to effectively enforce legislation due to weak labour inspectorates. Awareness of the law among both workers and employers is often lacking and the culture of compliance is weak. Further, trade union density is often low and collective bargaining agreements are still rare.

Due to the low institutional capacity to govern the labour market, many factories do not respect workers' basic rights and continue to allow for poor working conditions.

The Better Work programme especially contributes to SDG 1 combatting poverty, SDG 5 achieve gender equality, SDG 8 decent work and SDG 17 partnerships for the goals. Furthermore, the programme contributes to the Danish priority inclusive sustainable growth as well as youth. A majority of the workers in the factories are estimated to be youth, even though ILO does not yet keep records of the age of the more than 2.1 million workers served by the programme.

List the key documentation and sources used for the analysis:

¹ The study randomly divided 1000 applicants for factory jobs into three categories: a third got a factory job, a third got nothing, and a third got an entrepreneurship programme. Participants in the entrepreneurship programme earned the most. Reference: Blattman, C., & Dercon, S. (2018). The impacts of industrial and entrepreneurial work on income and health: Experimental evidence from Ethiopia. *American Economic Journal: Applied Economics*, 10(3), 1-38.

ILO 2017: Amplifying Impact: Better Work Strategy 2017-2022
ILO 2016: Progress and Potential: How Better Work is improving garment workers' lives and boosting factory competitiveness, A summary of an independent assessment of the Better Work programme by Tufts University
ILO 2017: Project Document Better Work Flagship Programme 2017-2022
ILO Country Strategies for each Better Work country

Blattman, C., & Dercon, S. (2018). The impacts of industrial and entrepreneurial work on income and health: Experimental evidence from Ethiopia. *American Economic Journal: Applied Economics*, 10(3), 1-38.

Are additional studies / analytic work needed? How and when will it be done?

There is no need to conduct additional contextual studies or analyses.

2. Fragility, conflict, migration and resilience

Briefly summarise the key conclusions and implications for the programme of the analysis of the below points:

Better Work does not generally work in unstable countries, and almost all of the factories under the Better Work programme are located in stable settings.

One exception is the Syrian refugee influx in Jordan, which has imposed stress on the national economy. This, however, has not adversely affected the programme. On the contrary, the Better Work programme in Jordan offers employment opportunities to refugees and thus addresses one of the root causes of migration which is unemployment. Along the same lines, decent employment in the garment sector offers an alternative to radicalization and violent extremism.

Another exception is Myanmar, where the programme suspended the feasibility and design process of a potential Better Work Myanmar country programme for a short period of time at the onset of the Rohingya refugee crisis.

List the key documentation and sources used for the analysis:

See list of documentation under 1).

Are additional studies / analytic work needed? How and when will it be done?

There is no need to conduct additional contextual studies or analyses.

3. Assessment of human rights situation (HRBA) and gender²

Briefly summarise the key conclusions and implications for the programme of the analysis of the below points:

The Better Work programme integrates a rights-based approach and will contribute to improved due diligence and the implementation and enforcement of core labour standards and human rights in the garment industry through the following activities: factory compliance assessments, leveraging the power of international buyers, building the capacity of social partners to be represented in social dialogue and building the capacity of the labour inspectorate to enforce the law.

The project will contribute to ensuring that rights holders, particularly workers from all societal groups, will be increasingly involved in company-based decision-making processes on labour standards in the garment sector, as well as in tripartite policy processes at national level.

Human Right Standards (international, regional and national legislation)

The ILO has identified eight conventions as ‘fundamental’, covering subjects that are considered as fundamental principles and rights at work: freedom of association and the effective recognition of the right to collective bargaining; the elimination of all forms of forced or compulsory labour; the effective abolition of child labour; and the elimination of discrimination in respect of employment and occupation. The Fundamental Conventions are:

- Freedom of Association and Protection of the Right to Organize Convention, 1948 (No. 87)
- Right to Organize and Collective Bargaining Convention, 1949 (No.98)
- Forced Labour Convention, 1930 (No. 29)
- Abolition of Forced Labour Convention, 1957 (No. 105)
- Minimum Age Convention, 1973 (No. 138)
- Worst Forms of Child Labour Convention, 1999 (No. 182)
- Equal Remuneration Convention, 1951 (No. 100)
- Discrimination (Employment and Occupation) Convention, 1958 (No. 111)

Other relevant instruments include

- The ILO Declaration on Fundamental Principles and Rights at Work

Universal Declaration of Human Rights (1948), particularly Article 23: “Everyone has the right to work, to free choice of employment, to just and favourable conditions of work and to protection against unemployment. Everyone, without any discrimination, has the right to equal pay for equal work. Everyone who works has the right to just and favourable remuneration ensuring for himself and his family an existence worthy of human dignity, and

² The purpose of the analysis is to facilitate and strengthen the application of the Human Rights Based Approach, and integrate gender in Danish development cooperation. The analysis should identify the main human rights issues in respect of social and economic rights, cultural rights, and civil and political rights. Gender is an integral part of all three categories.

supplemented, if necessary, by other means of social protection.”

- The Employment Policy Convention (1964)
- Decent Work Agenda (2005)
- Declaration on Social Justice for a Fair Globalization (2008)

Identify key rights holders in the programme

Garment workers and their families.

Identify key duty bearers in the programme

Governments, brands, factories, employers

Gender

See Better Work Global Gender Strategy 2018-2022

Youth

The majority of the workers in ILO factories are young women. However, the ILO does not yet monitor the age of workers. Depending on the feasibility, Denmark will encourage the ILO to pursue this.

List the key documentation and sources used for the analysis:

See list of documentation under 1)

Are additional studies / analytic work needed? How and when will it be done?

There is no need to conduct additional contextual studies or analyses.

4. Inclusive sustainable growth, climate change and environment

Briefly summarise the key conclusions and implications for the programme of the analysis of the below points:

Inclusive growth: Job in the garment sector constitute a key opportunity for stable income for the poorer segments of the populations in target countries. Income improved food security, nutrition and health. The garment sector has played a large role for the enormous reductions in poverty, where at least 350 million people have moved out of extreme poverty as defined by the World Bank (USD 1.25 PPP) since 1985. Key concern has been health, safety and salaries in the sector, however. This is what the programme seeks to address.

Environment: Under the leadership of the IFC team, Better Work recently completed a 12-month environmental compliance pilot project in Vietnam. The pilot was developed to be complementary

to other initiatives in the industry, in particular the HIGG Index, developed by the Sustainable Apparel Coalition (SAC) and adopted by many of Better Work's brand partners. In conversations with the SAC, Better Work developed an approach based on helping factories achieve compliance with national environmental regulations, which is a requirement of the HIGG Index, but for which there is a current lack of attention or adequate training. The pilot provided advisory and training to help 30 factories understand national environmental legislation, assess the extent to which they comply with these requirements, and develop improvement plans to address issues of non-compliance. As a result of the intervention, two-thirds of the participating factories reduced 70% of the gap between their practices and national requirements.

As a next step, Better Work will continue discussions with the Sustainable Apparel Coalition (SAC) about mechanisms to further support the HIGG tools with guidance on national environmental regulations. This partnership could include Vietnam and potentially other Better Work countries. At the same time, the programme has concluded through its experience with the pilots that Better Work would need to identify a global implementing partner with expertise in environmental compliance in order to continue to offer environmental services.

List the key documentation and sources used for the analysis:

ILO carry out the environmental context analysis used in the programme. The above details are based on information of the ILO.

If this initial assessment shows that further work will be needed during the formulation phase, please list how and when will it be done?

No further assessment is needed.

5. Capacity of public sector, public financial management and corruption

Briefly summarise the key conclusions and implications for the programme

Assessments by the ILO show that one of the root causes of poor working conditions in the modern day garment sector is the lack of capacity of governments in developing countries to effectively enforce regulation and for employer and worker organizations to effectively represent their constituents.

Labour inspectorates are most often poorly funded, lack skilled inspectors, and do not have the training or incentives necessary for them to drive improved levels of compliance. In most countries, there is also limited coordination between Ministry of Labour and other government departments, such as Trade and Investment, which hold greater political power, resources, and links with the private sector.

The implications for the programme is to focus on influencing and strengthening public policies, institutions and practice at the national, regional and global levels (Area of intervention 2).

List the key documentation and sources used for the analysis:

See list of documentation under 1)
<i>Are additional studies / analytic work needed? How and when will it be done?</i>
No further assessment is needed.

6. Matching with Danish strengths and interests, engaging Danish actors, seeking synergy

Briefly summarise the key conclusions and implications for the programme of the analysis of the below points:

Identify: <ul style="list-style-type: none"> - where we have the most at stake – interests and values, - where we can (have) influence through strategic use of positions of strength, expertise and experience, and 	<ul style="list-style-type: none"> - Women and youth are priorities for Denmark. Efforts shall be made adjust reporting and to communicate on these issues.
<ul style="list-style-type: none"> - Brief mapping of areas where there is potential for increased commercial engagement, trade relations and investment as well as involvement of Danish local and central authorities, civil society organisations and academia. 	<ul style="list-style-type: none"> - There is a potential for further involvement of Danish companies. ILO is ready to pursue this, and a meeting in the margin of the bi-annual donor meeting will take stock on progress here. One possibility is participation of Danish companies in the Better Work Academy.
<ul style="list-style-type: none"> - Assessment of the donor landscape and coordination, and opportunities for Denmark to deliver results through partners including through multilaterals and EU; 	<ul style="list-style-type: none"> - Denmark participates fully in the pooled donor fund for Better Work.

List the key documentation and sources used for the analysis:

See list of documentation under 1)
<i>Are additional studies / analytic work needed? How and when will it be done?</i>
No further assessment is needed

7. Stakeholder analysis

Briefly summarise the key conclusions and implications for the programme of the analysis:

<ul style="list-style-type: none"> - An important stakeholder group is the main beneficiaries: workers, in particular young women. - Other groups include factories, employer organisations and relevant government institutions.

- At the international level key stakeholder are international business partners, including international brands and retailers and their supply chain partners.
- Finally, and also at the international level, are international employer and worker organizations and donors.

The capacities of the various groups and their roles in the programme are described in the programme document.

List the key documentation and sources used for the analysis:

See list of documentation under 1)

Are additional studies / analytic work needed? How and when will it be done?

No further assessment is needed

Annex A2: Partners

1. Summary of stakeholder analysis

The programme content and design has been subject to a comprehensive and ongoing stakeholder analysis by the ILO as described in the partner section, Better Work Programme Document pp. 12-14.

In addition, a number of Danish stakeholders have been consulted prior to the engagement including unions, employer associations and NGOs. Their inputs have been used in the dialogue with ILO. Two particular concerns have been taken into account:

- a) The interaction with local unions and employer organisations. ILO has confirmed that this is an integrated part of the programme. At the global level, global representatives are part of a dialogue before the Better Work advisory committee meetings. At the local level, each country programme establish tri-partite advisory committees in order to engage unions and employer associations. This work takes place in close collaboration with the Bureau for Workers Affairs and Bureau of Employer Activities inside the ILO.
- b) The focus on gender, particularly sexual harassment. ILO's revised gender strategy establishes gender equality as a key priority to better work, including the human rights basis for this work. The actions to be implemented from 2018 onwards include assessments, advisory and training as well as women inclusion in worker-management committees.

2. Criteria for selecting programme partners

It is assessed that ILO is the only organization capable of implementing a programme with this scale, scope and objective. Further, the support is a continuation of the support provided in 2014-16 with positive results as shown in the final evaluation carried out by Tuft's University.

3. Brief presentation of partners

ILO

The only tripartite U.N. agency, since 1919 the ILO brings together governments, employers and workers of 187 member States, to set labour standards, develop policies and devise programmes promoting decent work for all women and men.

Apart from its normative work on standards for decent work, the ILO undertake a number of development programmes, one of which is the Better Work.

The International Labour Office is the permanent secretariat of the International Labour Organization. It is the focal point for International Labour Organization's overall activities, which it prepares under the scrutiny of the Governing Body and under the leadership of the Director-General.

IFC

IFC—a sister organization of the World Bank and member of the World Bank Group—is the largest global development institution focused exclusively on the private sector in developing countries. The Bank Group has set two goals for the world to achieve by 2030: end extreme poverty and promote shared prosperity in every country.

4. Summary of key partner features

Partner name <i>What is the name of the partner?</i>	Core business <i>What is the main business, interest and goal of the partner?</i>	Importance <i>How important is the programme for the partner's activity-level (Low, medium high)?</i>	Influence <i>How much influence does the partner have over the programme (low, medium, high)?</i>	Contribution <i>What will be the partner's main contribution?</i>	Capacity <i>What are the main issues emerging from the assessment of the partner's capacity?</i>	Exit strategy <i>What is the strategy for exiting the partnership?</i>
ILO/IFC	<p>ILO brings together governments, employers and workers of to set labour standards, develop policies and devise programmes promoting decent work for all women and men.</p> <p>IFC—a sister organization of the World Bank and member of the —is the largest global development institution focused exclusively on the private sector in developing countries.</p>	High	High	<p>ILO: Implementation and overall governance of the programme</p> <p>IFC: Mobilizing private sector</p>	High	<p>When present agreement ends or if agreement is not adhered to by ILO, Denmark is free to exit. It is expected that other donors will continue funding of the programme.</p> <p>The current programme is funded by a wide range of government donors. Moreover, 40% of the funds are provided by the private sector.</p>

Annex A3 - Results framework

Project title		Better Work	
Project objective / Development Engagement Objective		A global garment industry that lifts millions of people out of poverty by providing decent work, empowering women, driving business competitiveness and inclusive economic growth	
Impact Indicator		Total number of workers in the programme	
Baseline	Year	2017	2.136 million
		2018 (June)	2.195 million (reported), 76% women
Target	Year	2022	3.221 million
Outcome 1		By 2022, Better Work will have accelerated improvements in working conditions and business competitiveness through in-factory services	
Outcome indicator		Percentage of factories with effective worker-management committees	
Baseline	Year	2017	13% (200/1553)
		2018 (June)	14% (reported)
Target	Year	2022	32 % (800/2500)
Output		Better Work services are expanded (including beyond existing Better Work factories and countries)	
Output indicator		Number of factories serviced and trained ¹	
Baseline	Year	2017 ²	1,553
Annual target	Year 1	2018	1,599 ³
Annual target	Year 2	2019	1,800
Annual target	Year 3	2020	2,000
Annual target	Year 4	2021	2,300
Target	Year 5	2022	2,500
Output		Efficiency and quality of service provision is increased	
Output indicator		Percentage of factories in compliance with all publicly reported issues	
Baseline	Year	2017 (full year)	8%
Annual target	Year 1	2018 (June)	16%
Annual target	Year 2	2019	18%
Annual target	Year 3	2020	19%
Annual target	Year 4	2021	20%
Target	Year 5	2022	22%
Output		Stronger women's voice and representation in social dialogue mechanisms at factory level	

¹ This is the total number of factories Better Work engages with.

² Baseline beginning of Better Work's stage IV in July 2017

³ Our programme in Vietnam had previously also counted factories which they have served in the past, but who dropped out of the programme in the course of the past years (around 140 factories). They are now using consistent way of calculating only the active factories. This explains why the numbers in 2017 and 2018 are not fundamentally different.

Output indicator		Percentage of Performance Improvement Consultative Committee (PICC) worker representatives that are women	
Baseline	Year 0	2017	n/a [new indicator]
Annual target	Year 1	2018 (June)	42%
Annual target	Year 2	2019	43%
Annual target	Year 3	2020	48%
Annual target	Year 4	2021	52%
Target	Year 5	2022	56%
Output		Workers trained to ensure worker-management committees and trade unions have equal gender representation	
Output indicator		Percentage of female training participants that reported that they were given opportunities to raise their opinions and participate in group discussions.	
Baseline	Year 0	2017	n/a [new indicator]
Annual target	Year 1	2018	n/a [new indicator] baseline will be available early 2019 and targets will then be set accordingly
Annual target	Year 2	2019	tbd
Annual target	Year 3	2020	tbd
Annual target	Year 4	2021	tbd
Target	Year 5	2022	tbd
Output		Women trained to increase career advancement opportunities	
Output indicator		Percentage of supervisory skills training participants that are women	
Baseline	Year 0	2017	n/a [new indicator]
Annual target	Year 1	2018	n/a [new indicator] baseline will be available early 2019 and targets will then be set accordingly
Annual target	Year 2	2019	tbd
Annual target	Year 3	2020	tbd
Annual target	Year 4	2021	tbd
Target	Year 5	2022	tbd
Outcome 2		By 2022, Better Work will have influenced global retailers, brands and manufacturers in the establishment of business practices that promote decent work outcomes in supply chains	
Outcome indicator		Number of business using BW reports to monitor social/labour convergence and competitiveness in the supply chain	
	Year	2017	133
		2018 (June)	153
Target	Year	2022	370
Output		Better Work business partners integrate Better Work methodologies in their supply chains	
Output indicator		Number of business partners participating in the Better Work Academy	
Baseline	Year 0	2017	0

Annual target	Year 1	2018 (June)	3 (reported)
Annual target	Year 2	2019	6
Annual target	Year 3	2020	8
Annual target	Year 4	2021	9
Target	Year 5	2022	10
Output		Selected Better Work business partners are supported in testing different approaches to change their sourcing practices	
Output indicator		Number of business partners / participants	
Baseline	Year 0	2017	33 / 100
Annual target	Year 1	2018 (June)	37 / 116
Annual target	Year 2	2019	41 / 167
Annual target	Year 3	2020	44 / 217
Annual target	Year 4	2021	47 / 268
Target	Year 5	2022	50 / 320
Outcome 3		At the national level, ILO, IFC and WBG will have strengthened institutions and influenced policies that create an enabling environment for decent work and improved business competitiveness.	
Outcome indicator		Number of countries where ILO has developed a joint strategy for all its different interventions in the garment sector	
Baseline	Year	2017	0
		2018 (June)	1 (Ethiopia)
Target	Year	2022	5
Output		Output 3.1: The capacity of labour inspectorates to promote compliance is strengthened	
Output indicator		Number of coordinated visits to BW factories conducted by labour inspectors	
Baseline	Year 0	2017	0
Annual target	Year 1	2018 (June)	50 (reported)
Annual target	Year 2	2019	250
Annual target	Year 3	2020	500
Annual target	Year 4	2021	750
Target	Year 5	2022	1000

Annex A4 – Budget details

<i>All figures in USD</i>	2019	2020	2021	2022	Total
All outcomes/Activities	5,955,469	6,364,222	6,417,095	6,450,758	25,187,545
Management and Oversight*	10,538,874	11,169,481	11,168,904	11,421,659	44,298,919
Support Costs	2,146,663	2,363,406	2,427,835	2,463,081	9,376,921
Programme Support Costs	1,919,577	2,054,190	2,059,689	2,095,623	8,129,080
Provision for cost increase	227,085	309,216	368,146	367,457	1,247,841
	18,641,006	19,897,109	20,013,834	20,335,498	78,863,384

*Includes costs for staff involved in programme implementation.

ILO's internal financial systems do not currently allow budgeting and financial reporting at outcome or output levels. During the 2017-2022 period, ILO will take steps to enable global financial reporting at outcome level.

The budget is also integrated into the DED.

Annex A5: Risk Management Matrix

Contextual risks

Risk Factor	Likelihood	Impact	Risk response	Residual risk	Background to assessment
Changes in trade agreements or the rising cost of production in a given country will impact brands' sourcing decisions.	Medium	Medium	Working together with governments and speaking with brands and buyers, BW can at a minimum have an idea of how BW countries may be impacted by changes in trade agreements and sourcing, and align our advice and programme appropriately.	Low	Political: Global garment industry continues to source from BW countries
Increased political resistance in countries with little or no experience in social dialogue to engage with the programme.	Low	Medium	BW has developed a series of criteria for entering a new country, including ensuring high levels of support from the government.	Low	All current BW country programmes support BW and improved compliance.

Programmatic risks (for country programmes/regional programmes filled out for each thematic programme)

Risk Factor	Likelihood	Impact	Risk response	Residual risk	Background to assessment
Decrease in the willingness of factories to improve compliance with ILO standards.	Low	High	BW is developing a strategy to deal with persistent non-compliant factories, including working more directly with the labour inspectorate to sanction these businesses. Furthermore, Better Work reinforces buyer-backed standards and expectations.	Low	Better Work has a history of working with factories to improve compliance. BW has created an incentive system (stage one and stage two factory division) to highlight factories that meet standards on a set of priority issues.

Institutional risks

Risk Factor	Likelihood	Impact	Risk response	Residual risk	Background to assessment
BW cannot fully fund the programme	High	High	BW has developed this phase and its targets understanding that the programme may not receive the full funding it is currently requiring. Contingency plans are in place.	High	Since the risk is assessed as high, the plan is in place: 1) Diversification of donor base and increased investment in donor relations and communications; 2) New pricing structure will lead to increased revenue and more strategic use of this revenue to cover for anticipated funding gaps; 3) Investment in improved systems to increase operational efficiency, particularly in the field; 4) Significantly closer working relationship with IFC, both in terms of financial support but also in terms of enhanced credibility amongst the business and donor community. Please also note that the BWG annual budget of USD 7 million per year is an indicative budget that can be adjusted down if necessary as Better Work has already done in 2017.

Annex A7 – Communication Plan

MFA will be in ongoing dialogue with the Better Work secretariat about possibilities for communication of activities and results, especially focusing on gender and youth.

For more information on knowledge sharing and communication please see Better Work project document chapter 10, pp. 52-53 as well as the Better Work Communications Strategy 2018-19 in Annex G.

Annex A9 - Quality Assurance checklist for appraisal of programmes and projects¹

File number/F2 reference: 2018-17212

Programme/Project name: ILO/IFC Better Work

Programme/Project period: 2018-2022

Budget: DKK 20 million

Presentation of quality assurance process:

The design of the programme/project has been appraised by someone independent who has not been involved in the development of the programme/project.

Comments: The programme has been appraised internally for the following reasons: the appropriation supports a continuation of a previous phase, ILO as a partner is well known, results from previous support are well-documented (external evaluation) and the support is an earmarked contribution to a multilateral organisation (guidelines page 25).

KFU has carried out an internal appraisal, in addition to ILO's own appraisal

The recommendations of the appraisal has been reflected upon in the final design of the programme/project.

Comments: All major comments incorporated.

The programme/project complies with Danida policies and Aid Management Guidelines.

The programme/project addresses relevant challenges and provides adequate responses.

Issues related to HRBA/Gender, Green Growth and Environment have been addressed sufficiently.

Comments from the Danida Programme Committee have been addressed (if applicable).

Comments: n/a

The programme/project outcome(s) are found to be sustainable and is in line with the partner's development policies and strategies. Implementation modalities are well described and justified.

¹ This Quality Assurance Checklist should be used by the responsible MFA unit to document the quality assurance process of appropriations where TQS is not involved. The checklist does not replace an appraisal, but aims to help the responsible MFA unit ensure that key questions regarding the quality of the programme/project are asked and that the answers to these questions are properly documented and communicated to the approving authority.

Comments: The programme, including the outcome, is fully aligned with ILO's internal monitoring framework. The programme implementation period is in line with ILO's programming period (end dates are identical).

- The results framework, indicators and monitoring framework of the programme/project provide an adequate basis for monitoring results and outcome.

Comments: All indicators exists in ILOs results monitoring framework.

- The programme/project is found sound budget-wise.

- The programme/project is found realistic in its time-schedule.

- Other donors involved in the same programme/project have been consulted, and possible harmonised common procedures for funding and monitoring have been explored.

Comments: Denmark participates in the joint funding arrangement for the programme.

- Key programme/project stakeholders have been identified, the choice of partner has been justified and criteria for selection have been documented.

- The executing partner(s) is/are found to have the capacity to properly manage, implement and report on the funds for the programme/project and lines of management responsibility are clear.

- Risks involved have been considered and risk management integrated in the programme/project document.

- In conclusion, the programme/project can be recommended for approval: yes / no

Date and signature of desk officer: 10-12-2018 OLE DAHL RASMUSSEN

Date and signature of management: 10 Dec. 2018 LM