

Ministry of Foreign Affairs

**Capacity Analysis of
LO/FTF Council**

Final Report

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CAPACITY TRUST

1.1 List of Abbreviations

| | |
|----------------|--|
| BAT-Cartel | Danish Federation of Building, Construction and Woodworkers' Union |
| CSO | Civil Society Organisation |
| CSS | Civil Society Strategy (=Strategy for Danish Support to Civil Society) |
| DLF | Danish Union of Teachers |
| EU | European Union |
| FOA | Danish Union of Public Employees |
| FTF | The Confederation of Salaried Employees and Civil Servants |
| GUF | Global Union Federations |
| IDP | International Development Partners |
| IFBWW | International Federation of Building and Wood Workers |
| IFSW | International Federation of Social Workers |
| HK | The Union of Commercial and Clerical Employees in Denmark |
| HQ | Head Quarter |
| ICFTU | International Confederation of Free Trade Unions |
| ILO | International Labour Organisation |
| ITS | International Trade Secretariat |
| ITUC | International Trade Union Congress |
| KAD | The Women Workers' Union in Denmark |
| LFA | Logical Framework Approach |
| LO | The Danish Federation of Trade Unions |
| LO/FTF Council | Danish Trade Union LO/FTF Council for International Development Co-operation |
| MDG | Millennium Development Goals |
| MFA | Ministry of Foreign Affairs (Denmark) |
| NGO | Non Governmental Organisation |
| OHS | Occupational Health & Safety |
| PAC | Project/Programme Advisory Committee |
| PD | Project Document |
| PRO | Projekt Relateret Oplysning |
| PSLINK | Public Sector Integrative Labour Centre |
| ROSA | Rapid Organisational Self Assessment |
| SiD | General Workers' Union in Denmark |
| TOR | Terms of Reference |
| TA | Technical Assistance |

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1.3 Executive Summary

The capacity of the LO/FTF Council was reviewed in 2000 and 2003. The Council has since then undergone a development process where it proactively has undertaken a number of positive initiatives such as:

- Clarification of its mandate
- Development of overall policies and strategy promoting a more proactive approach
- Restructuring in terms of carrying out further decentralisation of its internal set-up and enhanced linkages to external resource persons
- Development of a number of tools, manuals, checklists and handbooks related to general project and programme management
- Continued development of information approaches and materials.

These initiatives were taken during a period of time where the Council underwent quite significant changes. Until 2003 the Council operated as a *framework organisation*. From 2004 to 2008 the Council has operated based on a *project modality* which required substantial adjustments to management and administration of the Council's interventions. Much attention was given to develop the project management capabilities of the Council and the geographical project orientation is reflected in the Council's structure where geographical departments responsible for project implementation are the cornerstone of the organisation.

With the prospects of potentially being accepted by MFA in 2009 as qualifying for holding a longer term program portfolio including three regional programmes rather than the present project based portfolio, the Council will be in a better position to carry out coordinated efforts aiming at securing long term development of the organisation and its activities. This implies that the Council will have to *transform itself from a geographical orientated project approach towards a more thematic orientated programme approach*.

In light of the above background the objective of this report is *to assess the capacity of the LO/FTF Council to coordinate and administrate a portfolio of three regional programmes*.

1.3.1 Objective, strategy and output analysis

Based on analysis of the Council's objectives and outputs it is found that the overall objectives and policy framework comprising the Millennium Development Goals and ILO's Decent Work agenda provide room for flexibility often required for optimal application of programmatic approaches. However, there is also a risk that the present long term

and diversified policy framework may lead to unfocused approaches and to diversified interventions for which insufficient competencies and tools may not be developed by the Council. The diversified policy framework therefore puts high requirements on the Council's ability to specify a *stringent strategy* for country and target group selection and clearly specify its *thematic focus areas of intervention* within which outputs will be achieved and main *clusters of services* delivered by *competent staff* having access to the *necessary tools*.

The Council's *strategy* is rather comprehensively formulated and consists of nine elements, where some are found as providing clear strategic guidance, whereas others such as country selection and partner identification are formulated more broadly to the extent that strategic guidance is reduced.

Recommendation # 1: Strategy clarification

It is recommended that the LO/FTF Council in light of the broadly formulated policy context as to establish clearer rationale for future programmes further clarify criteria for country selection and identification of target groups.

With regard to *thematic focus areas* these have as mentioned above in recent years been re-worded and restructured and cover today five – rather broadly defined – areas. While they in many ways provide room for flexible choice of intervention areas reflecting needs identified through partner capacity analyses, the criteria for choosing the five particular areas are unclear and the argumentation for not choosing other thematic areas is absent. It could be argued that the various objectives and outputs in partner projects should constitute the organisational outputs of the Council. This argument is, however found to reflect a project modality where the Council would aim at delivering support for whatever objectives would be included in the respective projects and not to be an adequate basis for the Council to adopt a longer term programmatic approach.

Recommendation # 2: Clarification of thematic focus areas as organisational outputs

It is recommended that the LO/FTF Council as to further a programmatic approach specifies its key thematic areas of interventions as to enhance clarity of the organisational outputs of the Council and the services required for achieving the outputs. Clearer indicators should be developed for these organisational outputs as to be able to monitor organisational performance. Specification of organisational outputs can besides of serving as rationale for choice of programme interventions furthermore constitute the framework for elaboration of thematic approaches, methods and tools as basis for further development of technical staff competencies.

In summary it can be stated that while the Council's policy platform does represent a positive development by way of presenting the Council's objectives and strategies in one unified document, it is also characterised by comprising of a very broadly defined overall objectives and policy context allowing for flexible programming but also potentially leading to the formulation and implementation of unfocused programmes. The unclear rationale for choice of thematic focus areas lead to uncertainty about the outputs being pursued by the Council and the missing specification of methodology and staff development lead to uncertainty about the service provision prioritised by the Council.

1.3.2 External analysis

The LO/FTF Council is widely seen as having the capacity to adequately address a number of relevant MFA policy priorities. This especially applies for cross cutting issues such as good governance and priority themes such as HIV/AIDS as well as main aspects of the CSS such as advocacy and capacity building.

Recommendation # 3: Capacity to include MFA policy priorities

It is recommended that the LO/FTF Council further develop approaches to include gender aspects as a cross-cutting issue at strategic and operational levels in programme formulation and implementation. It is also recommended that the Council as a reflection of the CSS develop a framework for advocacy highlighting potentials for targeted advocacy activities. It is furthermore recommended to explore ways to further enhance horizontal linkages between partners and other national Civil Society Organisations active in national civil society arenas such as e.g. the informal economic sector where the partners through Council projects operate.

The Council is furthermore seen as having rather adequate relations to its partners as well as to other Danish and international actors involved in international development efforts within the labour market area. Possibilities for increased harmonisation with other actors and opportunities for donor coordination should be explored on a case-by-case basis.

1.3.3 Resource Analysis

The Council's income and expenditure are closely related to project and programme activities. The Decent Work in Asia programme contributes to a total Council portfolio of approximately DKK 50 million in 2009 and will contribute significantly in 2010. Therefore, the Council will be able to sustain the current staff and activity level. The depend-

ency on project and programme funds is, furthermore, partly reduced due to the equity and the potential ability to increase membership fees and the slightly growing portfolio provides together with member contributions a stable basis for the development of the Council and its activities.

1.3.4 Internal Analysis

Generally, the Council is characterised by having very developed elaborate management systems, procedures and tools and having a high programme formulation and management capacity. The developed systems allow the headquarters in Copenhagen to closely follow programme implementation and address management challenges and financial anomalies immediately.

The major internal challenge facing the Council is to open up as to ensure further involvement of representatives from its popular foundation in e.g. thematic and support groups as well as together with MFA within the framework of the present contracting modalities with the Council as sole signatory to pursue opportunities for harmonisation and alignment.

Another challenge is to supplement the present rather impressive general programme management capacity of the Council with development of thematic methods and tools and technical staff capacities reflecting prioritised organisational outputs.

With regard to governance the Board of the Council is adequately representing the Council's popular foundation. Most Board members, however, have limited knowledge of and experience with the strategic issues. As the LO/FTF Council is increasingly developing its strategic framework and becoming proactively involved in programme planning, there is a growing need for rooting discussions and decisions more firmly within the governance set-up.

Recommendation # 4: Popular foundation and strategic decisions

It is recommended that as the LO/FTF Council is increasingly developing their strategic framework and becoming proactively involved in programme planning, will ensure that strategic discussions will be more firmly rooted within the thematic and regional support groups.

While it is found that the advisory role of the PAC contributes to enhancing popular foundation of the Council's activities and promoting interaction between partner and

Danish union representatives and thereby to network creation, it should also be noted that actual responsibility towards the board and MFA for programme administration and implementation lies with the secretariat in Copenhagen, thus reducing partner ownership.

Recommendation # 5: Revisiting the role of Programme Advisory Committees

It is recommended that as the LO/FTF Council revisit the role of the Programme Advisory Committees as by clarifying decision making processes as to ensure that partner involvement in decision making is furthered.

With regard to staffing and structure the balance between staff based at headquarters in Copenhagen and in national offices is found to be rather appropriate but with a potential risk of internal geographical compartmentalization. Internal learning and method development are on an ad-hoc basis primarily anchored in the “Redskabsskur”.

Recommendation # 6: Institutionalisation of learning fora

It is recommended as to prevent risk for geographical compartmentalization that the work in the “Redskabsskur” as well as in cross-cutting working groups will be further broadened and institutionalised as to give further focus and impetus to development of thematic approaches, methods and tools across geographical boundaries.

With regard to information activities the Council has a wide network in Denmark for dissemination of information as well as good contacts in Africa, Asia and Latin America enabling the Council to portray important themes in its material as well as identifying south representatives to carry out information activities in Denmark. It is noted that board decisions as a practical example on good union governance are available on the Council’s web-site. Given the prominent role assigned to the web-site in the Council’s information strategy, it is however surprising that the site is not more elaborate and more frequently up-dated.

Concerning programme management the Council has a strong general programme management capacity, which is not fully supplemented with a similar strong thematic capacity. Most materials have furthermore not been translated into English, Spanish and Portuguese, thus reducing transparency when cooperating with partners.

Recommendation # 7: Standardisation and translation of general programme management guidelines

It is recommended that the Council further develop standards as basis for adaptations of general programme management and organisation and as to promote enhanced cooperation.

tion with partners to ensure that its policy platform, programme management checklists and guidelines will be developed in English, Spanish and Portuguese.

The Council has primarily focused on development of tools and methods for general programme management and less for management of thematic issues.

Recommendation # 8: Thematic method, tool and staff development

It is recommended that the Council would further identify the main categories of outputs it is aiming at delivering and the services required to achieve this as the basis for specification of thematic methods, tools and staff technical competencies to be developed.

The potentials for harmonisation are affected by positions of other donors and for alignment by present contracting modality with MFA.

Recommendation # 9: Harmonisation and alignment of programme management

It is recommended that the Council where possible will explore avenues for harmonisation of support with other donors and together with MFA will examine programme planning and reporting requirements with the view to further align programme management to be based on partner systems and procedures.

With regard to financial management the Council's financial management system is compliant with the requirements prescribed in the "General Guidelines for Grant Administration through Danish NGOs. Timely support is provided as need arises. The deadlines are tight to allow for consolidation and onwards reporting to the MFA. The tight deadlines and strictly enforced requirements for the release of funds imply a risk for stop/go implementation. The immediate and ongoing partner dialogue attempts to mitigate this, though it is an operational and political decision how to balance operational flexibility with risk mitigation. The current set-up seems rigid but it has reduced the accumulation of partner errors and prevented serious cases of financial mal-practices, fraud, and/or embezzlement of funds. The use of the administration fee and the handling of technical-specific consultancy services is within the parameters given by MFA guidelines. It would, however, increase transparency and governance if the conditions for and types of TA were included in the partner contracts.

It has been difficult to assess the level of harmonisation with other funders and alignment to partner systems. However, given the project nature and differences in partner capacity it has its limitations. Consequently, harmonisation and alignment has to be on a

case by case basis with a focus on increased alignment with partner systems to reduce transaction costs at partner level.

Recommendation # 10: Alignment of financial management

It is recommended that the Council together with MFA will examine financial management requirements with the view to further align financial management to be based on partner systems and procedures.

1.3.5 Key findings and recommendations

With regard to learning capacity the commitment of the Council to explore learning possibilities can be seen from a substantial number of recent initiatives.

At project level, there are multiple examples that learning has resulted in swift and relevant changes in the projects. There is, however, *a need for developing a culture and systems for turning project level learning into organisational learning*. Most learning has stayed undocumented and 'stored' in persons rather than being institutionalised nor disseminated. The extensive experience at project level is not transformed into organisational learning.

At the same time, there is *a need to broaden the focus for learning at project level*. Most often the learning here deals with refining the approach and activities, whereas it seems that less attention is paid to strategies, outcomes and impact, which could be uplifted to organisational learning.

There is *no formalised structure within the Secretariat for discussion of thematic 'lessons learned'* across professions and the present ad-hoc status of "Redskabsskuret" could be further institutionalised. A formalised structure for discussion with persons representing the popular foundation could also be further developed.

Assessed against a number of MFA defined criteria *the comparative advantages* of the Council are assessed as being:

1. The Council is widely seen as *having the capacity to manage programme activities adequately and in line with the CSS*. However, it is recommended that the Council will further develop capacities on inclusion of gender as a cross-cutting issue, development of frameworks for advocacy and approaches for horizontal involvement with CSOs outside the trade union structures.
2. The Council is also assessed as having *developed programs documenting continuity in planning of interventions and describing overall strategy*. Prioritisation of thematic focus

- areas as basis for development of organisational core competencies would improve the professional capacity of the Council.
3. The Council is also found to have the *administrative capacity* to professionally prepare, implement, monitor and complete programmes. The Council does also internally as well as through its network of resource persons possess certain technical capacities for programme preparation, implementation and monitoring. However, the technical staff capacities reflecting prioritised thematic focus areas could be further developed.
 4. Furthermore the *objectives, interventions and partner choice are found to be in line with CSS*.
 5. Finally, the Council has a highly developed *capacity to administrate funds*.

The Council is found to possess the capacities relevant to manage its existing portfolio of projects and programmes in Africa, Asia and Latin America. ***In case development of new programmes would be considered*** the following observations can be made:

1. The Council should develop clear set of *criteria for sectoral and thematic prioritisation* as to make rationale for its choices transparent and as to facilitate focused scope of future interventions
2. The Council should also – given the rather broad formulation of criteria for geographical orientations develop more detailed *criteria for country selection* as basis for development of new programmes
3. Similarly, the *criteria for selection of target groups* which presently are very wide should be further specified as to facilitate that clear rationale for inclusion of various target groups would be enhanced.
4. The Council's present approach to and capacity for *managing information activities* are found to be adequate and to serve as good basis for new information activities
5. Finally, the Council is through its affiliation with the international union structures *exercise adequate global engagement*.

2 Introduction

2.1 Context

As a consequence of the updated Danish Strategy for Civil Society Support (CSS), the Danish Ministry of Foreign Affairs (MFA) initiated in 2008 a series of discussions with Danish NGOs having longer project based relations with MFA with the objective to identify the scope for a selected number of NGOs to engage themselves in programme agreements with MFA based on certain conditions and a number of criteria.

From 1992 until 2004 the LO/FTF Council (the Council) held a framework agreement with MFA and has since then primarily obtained funding for its international development activities based on a project funding modality through “MFA’s Enkeltbevilling”, Alliance Programmes, “Mini-puljen”, Danish embassies and recently by the EU.

The LO/FTF Council was in 2008 as the first NGO invited to consolidate a number of the previous project based activities into a more coherent regional programme, which in 2008 led to the formulation of the application to MFA for funding of “Support to Decent Work in Asia - a regional programme”. In connection with the appraisal of this programme MFA identified a need to assess the capacity of the LO/FTF Council in the future to coordinate and administrate a portfolio comprising 3 regional programmes in Africa, Asia and Latin America¹.

This capacity analysis has been carried out from November 2008 to January 2009 by the team ² carrying out the appraisal of the “Support to Decent Work in Asia - a regional programme”. It should be noted that while the appraisal focused on the regional Asian programme, the capacity assessment is in principle reflecting the capacity of the LO/FTF Council in the future to coordinate and manage 3 regional programmes in Africa, Asia and Latin America³.

¹ The LO/FTF Council does manage a few projects funded by non-Danida sources, but these are only of marginal importance as they total less than 5% of the Council’s project portfolio.

² The team consisted of Jeef Bech, Team Leader, Jørgen Billetoft, Labour Market Specialist, Lars Udsholt, Civil Society Specialist and Mike Dahlgård, Financial Management Specialist.

³ It should be noted that the overall assignment covers two distinctive issues, namely firstly the appraisal of the “*Support to Decent Work in Asia – a regional programme*” which is covered in a report, under separate cover and secondly an assessment of the capacity of the LO/FTF Council to manage programmes, which is addressed in this report.

The capacity of the LO/FTF Council was assessed in 2000 and an up-date was carried out in 2003 after which no assessment has been made of the LO/FTF Council's capacity⁴. It should, however, be noted that both reviews were carried out while the Council was holding a framework agreement with MFA and the findings of the capacity assessments in 2000 and 2003 therefore are not directly relevant to the present situation of the Council.

2.2 Report Objective, Structure and Methodology

The *specific objective of this report* is as a reflection of the Terms of Reference (ToR)⁵ to provide an institutional analysis of the LO/FTF Councils organisational capacity to coordinate and administrate a portfolio of three regional programmes and if needed to provide recommendations for improvements of the institutional capacity.

Reflecting the requirements of the ToR the ROACH approach of MFA⁶ has been applied for the capacity analysis of the LO/FTF Council. Based on the *capacity of the LO/FTF Council to coordinate and administrate a portfolio of three regional programmes* as the definition of the vantage point for the capacity assessment, the following main steps have been carried out:

- *In chapter 3:* Review of the objectives and strategies of the LO/FTF Council as basis for identifying outputs delivered by the Council.
- *In chapter 4:* External analysis of actors and factors affecting the Council' partly based on a workshop with the staff of the LO/FTF Council.
- *In chapter 5:* Analysis of inputs and resources available to the Council developed in consultation with the Council.
- *In chapter 6:* Analysis of internal aspects of the Council and how these affect the achievement of outputs.
- Finally, *in chapter 7* the main findings and recommendations are presented.

The capacity assessment team wishes to thank the many individuals at the Council as well as from selected partner organisations who have taken time to provide information and to engage themselves in discussions with the team. This report contains the views of the

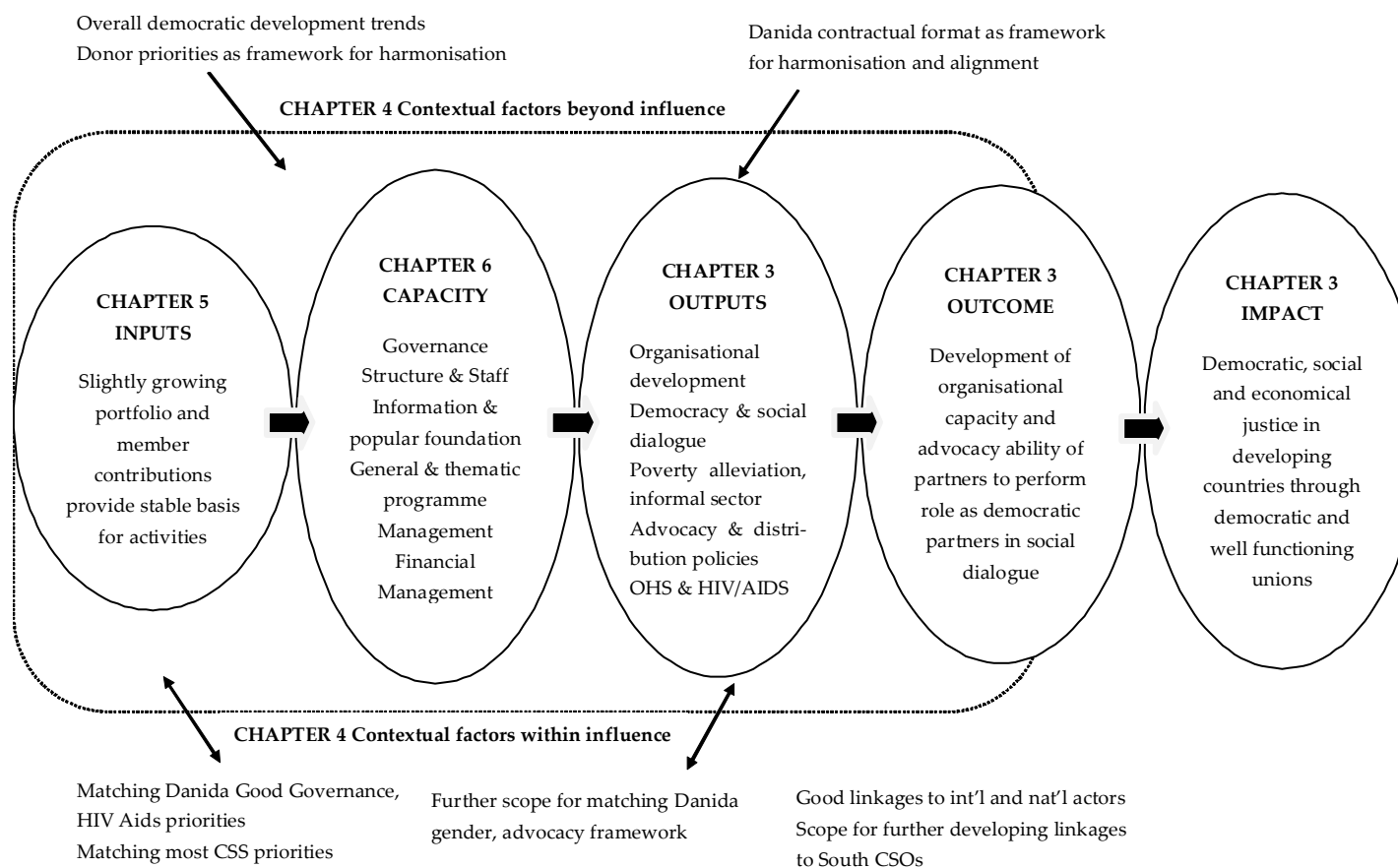
⁴ A summary of the 2000 and 2003 assessments is included in Annex C.

⁵ Please refer to Annex A for further information on the Terms of Reference.

⁶ Please visit <http://amg.um.dk/en/menu/TechnicalGuidelines/Capacity+Development/> for general information on MFA's Result Oriented Approach to Capacity Change (ROACH). The practical application of the method is visualised in Annex D.

team, which may not necessarily correspond to the views of the LO/FTF Council or MFA.

Visualisation of linkages between report chapters and ROACH analysis



3 Analysis of LO/FTF Council Objectives, Strategy and Outputs

3.1 LO/FTF Council Mandate and Objectives

The LO/FTF Council was established in 1987 by the Danish Confederation of Trade Unions (LO) and the Danish Confederation of Civil Servants and Salaried Employees (FTF) with the purpose of strengthening trade union organisations in developing countries. The Board of the Council headed by the Chairman of LO and with the Chairman of FTF as the deputy chairman comprise of 15 members from LO and FTF affiliated unions representing more than 1.6 million persons.

The present mandate of the LO/FTF Council is based on the *policy platform* for development assistance, which was developed during the autumn of 2008⁷.

The vision of the LO/FTF Council is to contribute to democratic, social and economical justice in developing countries through the development of a democratic and well functioning trade union movement.

The mission is to develop the capacity and advocacy of the trade union movement in developing countries so it can perform its role as a democratic partner in social dialogue and thereby support the development of a sustainable labour market contributing to a balanced economic growth and employment and thereby democratic development, peace and stability.

The overall aim of the Council is to be a centrally placed actor in global networks, to support the local anchoring of the trade union movement nationally and regionally as well as to support the development of competencies of the South partners.

Above is strategically taking place within the *policy framework* of the 2015 Millennium Development Goals (MDG), The Decent Work agenda adopted by the ILO and the Strategy for Danish Support to Civil Society (CSS). The relevance of policy linkages between

⁷ LO/FTF Council: Ulandssekretariatets bistandspolitiske platform 2008

the MDGs and the Decent Work agenda is also being supported by a recent DAC publication⁸.

3.2 LO/FTF Council Strategy

The *overall strategy* is rather comprehensively formulated as consisting of the following nine main aspects:

1. *Trade union movement nationally and internationally* – emphasising the need for development of the capacity of South trade unions to develop policies, to have adequate leadership, participate in and accept procedures for internal decision making as well as keep its side of bargains with other parties.
2. *Capacity development and advocacy* – highlighting the importance of thorough analyses as the foundation for capacity development and advocacy.
3. *Sustainability concepts* – specifying the approach to above analyses as being based on assessment of democratic, political, organisational and economical aspects as the four main sustainability dimensions of South partners.
4. *Organisational development* – where the above sustainability analyses are used for categorising partners as 1st, 2nd and 3rd generation trade unions where each category qualifies for different types of support from the Council.
5. *Indicators* – specifying that the strategic approach of the Council will be assessed against the extent to which the strategy supports organisational development, of partner organisations, improvements of the living standards for the broader population and especially for poorer segments working in the informal economy as well as the overall democratic development as e.g. ratification and compliance with ILO conventions.
6. *Target groups* –specified as unionised workers within the public and private formal sectors as well as non-unionised workers in the informal sector with a special focus on women.
7. *Geographical orientation* –specified as being based on the two main criteria of:
 - i. national democratic development including violation of union rights

⁸ DAC: “*Making economic growth more pro-poor: the role of employment and social protection*”, Draft Policy Statement, December 2008, p. 1

- ii. trends in economic and employment development including assessment of the formal and informal sectors.
8. *Choice of partner organisations* –specified as being based on the following criteria:
- i) democratic leadership and legitimacy and trustworthiness of organisations towards their members
 - ii) a vision supporting development of administrative and organisational capacity to deal with current and future challenges,
 - iii) present or envisaged membership of international union network
 - iv) and finally that the organisation should be independent of political parties.
9. *Technical Assistance (TA) strategies* – specifying that TA will be provided as long term inputs through regional offices and as short term inputs from the secretariat in Copenhagen or from registry of affiliated resource persons. Synergy is being pursued through deployment and sharing of thematic TA between different partner organisations as well utilisation of expertise represented in the Programme Advisory Committees (PAC). The consultants providing TA will at their disposal have essential tools understood as programme management related tools for monitoring and evaluation. The Council furthermore aims at having a number of thematic tools developed for e.g. education systems, democratic leadership development, democratic organisational development, empowerments of organisations, membership services, lobby and communication, social dialogue and negotiation processes, OHS systems, employment creation in the informal sector, democratic rights, ILO conventions and labour market legislation. It should be noted that although the Council has established the Tool Room (“Redskabsskuret”) as an internal forum for internal learning, *tools for the vast majority of issues mentioned in the above rather extensive list of thematic areas have not yet been developed.*

3.3 LO/FTF Council Outputs

While programme and project documents specify the outputs to be pursued by the various programmes and projects, the Council has not specified the outputs it will pursue as an organisation. It has, however, specified main *thematic areas of intervention* where the Council at the start of the millennium focused on capacity building of trade unions and education of elected trade union representatives⁹. This rather narrow focus has over the

⁹ MFA: “ LO/FTF Council Thematic Review”, 2003 p. 16 and IDP: “Capacity Assessment and Reviews of NGOs with Framework Agreement–LO/FTF Council”, Development Associates: , May 2000 p.17

past years been diversified and today the thematic areas addressed by the Council include the following:

1. Organisational development and development of networks
2. Democracy, social dialogue and human rights
3. Poverty alleviation, informal economical sector and improvements in living conditions and employment
4. Advocacy and distribution policies including alliances with the wider civil society
5. Occupational health including HIV/AIDS

It should be noted that above five areas are formulated in rather general terms, and that the terms since 2004 based on systematic internal process have changed considerably. It is noted that the Policy Platform document of October 2008 includes the most up-dated definition of thematic focus areas and that these have not been reflected in full in e.g. the “Support to Decent Work in Asia - a regional programme”.

3.4 Conclusions on objective, strategy and output analysis

It is appreciated that the LO/FTF Council as a reflection of the recommendations of the 2000 and 2003 capacity reviews has developed its policy platform as a stand-alone document specifying the vision, mission, overall objectives and strategy of the Council.

While it is appreciated that the Council is applying the MDGs and the Decent Work agenda as the context for its strategy it should also be noted that this as mentioned above lead to a long term (2015) and rather diversified policy framework. This may provide room for flexibility often required for optimal application of programmatic approaches. However, there is also a risk that the present long term and diversified policy framework may lead to unfocused approaches and to diversified interventions for which insufficient competencies and tools may not be developed by the Council. The diversified policy framework therefore puts high requirements on the Council to specify a *stringent strategy* for country and target group selection and clearly specify its *thematic focus areas of intervention* within which outputs will be achieved and main *clusters of services* delivered by *competent staff* having access to the *necessary tools*.

The Council's *strategy* is rather comprehensively formulated and of the nine elements constituting the strategy the selection of partners (element # 8) and approaches to partner development (capacity development, sustainability aspects and organisational devel-

opment element # 2, 3 and 4)) are found to be rather precisely formulated and as providing clear strategic guidance.

A number of other strategic elements are formulated more broadly to the extent that strategic guidance is reduced. The formulation of *criteria for target group* identification (element # 6) is as an example so broadly formulated (unionised members in the formal sectors and non-unionised people in the informal sector) that it only provides limited guidance for selection of whom to include and exclude as target groups in programmes. The *criteria for geographical orientation* (element #7) are also formulated in very general terms and do not provide sufficiently clear rationale for decisions on which countries to choose – and which not to choose – for future cooperation. While existing countries of operation largely have emerged based on long term working relations with partners, the Council should formulate more specific geographical criteria in case new countries would be considered as there is a potential risk of unfocused choices of countries where the Council e.g. may not have sufficient experience.

Recommendation # 1: Strategy clarification

It is recommended that the LO/FTF Council in light of the broadly formulated policy context as to establish clearer rationale for future programmes further clarify criteria for country selection and identification of target groups.

With regard to *thematic focus areas* these have as mentioned above in recent years been reformulated and restructured and cover today five rather broadly defined areas. While they in many ways provide room for flexible choice of intervention areas reflecting needs identified through partner capacity analyses, the criteria (e.g. Council experience, staff competencies, tools developed) for choosing the five particular areas are unclear and the argumentation for not choosing other thematic areas is absent. It is therefore difficult to establish a deeper understanding of the rationale for choosing certain thematic areas and not choosing others. This also lead to uncertainty about which *outputs* the Council specifically is pursuing as an organisation. It could be argued that the various objectives and outputs in partner projects should constitute the organisational outputs of the Council. This argument is, however found to reflect a project modality where the Council would aim at delivering support for whatever objectives would be included in the respective projects and not to be an adequate basis for the Council to adopt a longer term programmatic approach. The indicators for assessing the organisational performance of the Council are broadly defined and linked to the objective level (see strategy (element# 5 above) and no indicators have been developed at organisational output level and this may lead to risks for gaps between programme achievements levels and achievements at the

organisational level of the Council. This risk is not new as it in the 2003 capacity review was found that "... *there is a 'long way' from the specific project outputs to achievement of the overall LO/FTF Council programme development objective*"¹⁰.

Recommendation # 2: Clarification of thematic focus areas

It is recommended that the LO/FTF Council as to further a programmatic approach specifies its thematic areas of interventions as to enhance clarity of the organisational outputs of the Council and the services required for achieving the outputs. Clearer indicators should be developed for these organisational outputs as to be able to monitor organisational performance. Specification of organisational outputs can besides of serving as rationale for choice of programme interventions furthermore constitute the framework for elaboration of thematic approaches, methods and tools as basis for further development of technical staff competencies.

With regard to *staff competencies and development of necessary tools* the Councils policy platform document is concluded by summarising the ability of the Council to maintain focus on organisational development, and development of methods and cutting edge competencies of the staff as an organisational challenge confronting the Council. It should be noted that the policy platform document does *not* specify which types of methods or which areas of staff competencies should be developed. This contributes to an unclear picture of which *services* the Council is prioritising to deliver to its partners.

In summary it can be stated that while the Council's policy platform does represent a positive development by way of presenting the Council's objectives and strategies in one unified document, it is also characterised by comprising of a very broadly defined overall objectives and policy context allowing for flexible programming but also potentially leading to the formulation and implementation of unfocused programmes. The unclear rationale for choice of thematic focus areas lead to uncertainty about the outputs being pursued by the Council and the missing specification of methodology and staff development lead to uncertainty about the service provision prioritised by the Council.

¹⁰ MFA: "LO/FTF Council Thematic Review", Development Associates: 2003 p. 19

4 External Analysis

The external analysis will include two main aspects, namely firstly an analysis of the Council's capacity to include external policy factors and secondly an analysis of the Council's capacity to interact with partners and other external parties.

4.1 External Policy Factors

The MDGs, the ILO Decent Work Agenda and the MFA policies constitute the policy framework of the council's policy platform. As MFA is the main donor this section will primarily focus on the Council's ability to incorporate MFA policy priorities.

With regard to general *MFA cross-cutting issues* the Council is putting issues such as *good governance* highly on its agenda as it - besides of being reflected in its strategy for programme development - from own resources in 2008 is piloting a good union governance initiative¹¹. The first high level mission with board representatives went as part of this good union initiative on mission to the Philippines in January 2008 and Ghana and Nicaragua will be visited later this year. With the focus on women as being a prioritised target group among non-unionised workers in the informal sector, it is rather surprising to note that *gender aspects* tend only to a limited extent to be reflected in the Councils programmes and often are conspicuously absent from programme strategies¹².

With regard to *MFA's priority themes* the Council has furthermore included *HIV/AIDS* as one of its thematic focal areas which have been incorporated into several programmes, particularly in Africa as independent components and in other programmes have been included as part of OHS oriented interventions.

The Danish Civil Society Strategy (CSS) constitutes as shown in chapter 3.1 an important part of the policy framework for the LO/FTF Council. The CSS points at the importance of *strategic use of capacity building and advocacy* as fundamental operational principles. The Council is in its programmes appropriately addressing these principles by generally focusing on issue based capacity building of partners (and not generic organisational capacity

¹¹ LO/FTF Council: Description of Good Union Governance initiative initiated by the LO/FTF Council", 2007

¹² It should also be noted that the recommendation of the 2007 appraisal of the Council's Southern Africa programme on incorporating gender as a dimension for organisational analyses have not been implemented, MFA: Decent Work and Poverty Alleviation in Southern Africa, Appraisal Report, 2007

building) and on enhancing partner capacities for carrying out advocacy. On the other hand – and fully in line with the MFA policy framework – support to service delivery in the various programme components are quite limited and in situations where they are included, service delivery is generally linked to capacity building and advocacy.

While above most adequately reflect MFA CSS priorities the following aspects should be noted.

Firstly, the broadly formulated thematic focus areas provide room for a wide array of capacity building activities to be planned and carried out with individual partners in what could risk become a quite piecemeal and inconsistent effort. It would be helpful if a guiding framework for how capacity building needs are being addressed across the various programmes would be developed. This would also help clarifying the role of TA in capacity building.

Secondly, CSS distinguishes between general awareness activities and advocacy activities, where the latter is defined as activities targeted towards decision makers as to change living conditions for the target group. As many advocacy related activities in Council programmes lead to the formulation of position papers, more guidance should be given on how output of advocacy activities will be used for targeting different audiences, including decision makers in the public sector (officials, parliamentarians etc.) and private sector stakeholders (e.g. business associations with the aim to change living conditions of the target group).

Thirdly, promotion of the development of a democratic civil society, and not only selected civil society organisations is another important aspect of the CSS. While trade unions can be considered as very important democratic civil society organisations, and it is acknowledged that trade unions in Council programmes often are linked vertically to international networks, there is also a need to *further enhance horizontal linkages to other Civil Society Organisations (CSOs) in the national civil society arena* as to prevent that national components would risk to materialise as isolated stand-alone interventions. This is particularly important in Council programmes focussing on the informal sector as they are taking place in national contexts where many other civil organisations are active. While it is appreciated that linkages to national CSOs should reflect priorities of the individual partner organisation there is also an evident need to ensure that partners would interact with other national CSOs active in areas covered by Council programmes.

4.2 External Relations

4.2.1 Cooperation with local partners

The council presently cooperates with *15 main national partners* in Asia (7), Africa (4) and Latin America (4) and the regional levels of ITUC in the three regions. Furthermore, the Council has working relations with a substantial number of Global Union Federations (GUFs). The relations to most of the partners were initiated in the early 1990-ies and are therefore characterised by thorough knowledge and experience generated from management of joint interventions. The identification and selection of partners are based on the following criteria¹³: democratic leadership and legitimacy and trustworthiness of organisations towards their members, a vision supporting development of administrative and organisational capacity to deal with current and future challenges, planned or present membership of international union network and finally that the organisation should be independent of political parties.

The LO/FTF Council has as mentioned in chapter 3.2 furthermore developed a *system for organisational assessment* where national partners based on four dimensions of democratic, political, organisational and economical sustainability are characterised as 1st, 2nd and 3rd generation trade unions. The Council was previously widely providing standardised service packages – of some perceived as generic system export of Danish experience – focusing on generic capacity building of trade unions and education of elected trade union representatives. The above approach to organisational assessment of partners should be seen as a step away from this, as the results from the organisational diagnosis are used for designing interventions meeting organisational needs of the partners.

With regard to actual programme implementation with partners the Council has developed *thorough manuals and systems* describing how all aspects of general project and programme management should be jointly carried out. The development of these manuals and systems was intensified after the 2003 capacity review identified this to be an aspect to be addressed and they are today assessed as being coherent with MFA requirements.

4.2.2 Cooperation with international partners

Besides of the relations to South partners the Council also maintains very close *vertical linkages to the international trade union structure* such as the GUFs and the regional offices as

¹³ Ulandssekretariatets bistandspolitiske platform 2008, section 7.7. refers

well as headquarters of the International Trade Union Confederation (ITUC) and the ILO.

Working multilaterally is always through ITUC or a Global Union Federation (GUF) in co-operation with a Danish sister organisation. The ITUC was established in 1949 under the name of ICFTU and has today 213 affiliates in 143 countries representing 124 million members. Both LO and FTF are affiliated to ITUC, and the majority (but not all) of the international trade secretariats with whom the LO/FTF Council co-operates are members of the ITUC.

Every year *donor conferences* are held to co-ordinate and discuss activities. Previously ITUC hosted such meetings; today it is one of the functions of the regional offices in Asia, Africa and Latin America. The role of the ITUC and the GUFs has undergone changes especially regarding their work in the third world. This has further weakened their position and capacity, and their capacity to implement and monitor projects is being broadly questioned.

For co-ordinating purposes, the LO/FTF Council meets regularly with its *Nordic and Dutch sister organisations* once a year. Results of this co-operation are Guidelines and a handbook on participatory and strategic project planning that has recently been produced. However, the Nordic sister organisations are not always in agreement of the modalities to be applied when providing international development assistance and co-ordination is therefore determined on a case by case basis.

The Council furthermore maintains *information - and in some cases advocacy – linkages* to international institutions such as UNDP, the World Bank and the EU commission as well as national players such as Danish Industry, National Association of Local Governments in Denmark and the Agricultural Council.

The council has over the past years further *strengthened its cooperation with other Danish CSOs* and is widely recognised for its work in e.g. the NGO Forum. Horizontal linkages to the broader civil society in the south are based on review of selected programmes less evident.

4.3 Conclusions on External Analysis

The LO/FTF Council is based on the analysis in chapter 4.1 widely seen as having the capacity to adequately address a number of relevant MFA policy priorities. This especially

applies for cross cutting issues such as good governance and priority themes such as HIV/AIDS as well as main aspects of the CSS such as advocacy and capacity building. However, the capacity to deal with a number of other policy issues could be further strengthened.

Recommendation # 3: Capacity to include MFA policy priorities

It is recommended that the LO/FTF Council further develop approaches to include gender aspects as a cross-cutting issue at strategic and operational levels in programme formulation and implementation. It is also recommended that the Council as a reflection of the CSS develop a framework for advocacy highlighting potentials for targeted advocacy activities. It is furthermore recommended to explore ways to further enhance horizontal linkages between partners and other national Civil Society Organisations active in national civil society arenas such as e.g. the informal economic sector where the partners through Council projects operate.

The Council is furthermore based on the analysis in chapter 4.2 seen as having rather adequate relations to its partners as well as other Danish and international actors involved in international development efforts within the labour market area. Possibilities for increased harmonisation with other actors and opportunities for donor coordination should be explored on a case-by-case basis.

5 Resource Analysis

5.1 Income analysis

The LO/FTF Council has three *major sources of income* of which two are related to project activities. The LO/FTF members contributed DKK 3.2 millions in 2006 as well as in 2007. The income from project administration fees is directly related to project activities. Technical-specific consultancy services are provided by the Council's staff and forms an integrated part of project implementation. The Council recorded an extraordinary income in 2007 due to the relocation from Sommerstedgade to Vester Voldgade, both in Copenhagen.

Table 1: LO/FTF Council Income 2006 and 2007 (DKK millions)

| | 2006 | 2007 | Pct. 2006 | Pct. 2007 | Change 06 to 07 |
|-----------------------------|-------------|-------------|---------------|---------------|--------------------|
| Membership fees | 3.2 | 3.2 | 25.1% | 22.6% | 0.0% |
| Project administration fees | 2.6 | 3.1 | 20.7% | 21.9% | 18.0% |
| TA and consultancy services | 6.8 | 5.8 | 53.7% | 41.1% | -14.9% |
| Extraordinary income | - | 2.0 | 0.0% | 14.1% | - |
| Financial income | 0.1 | 0.0 | 0.6% | 0.3% | -35.6% |
| Total | 12.7 | 14.2 | 100.0% | 100.0% | 11.2% |

5.2 Expenditure analysis

The *main expense* is staffs, which makes up approximately 84% of the total expenses in both years of 2006 and 2007. The administration staff accounts for approximately 55% of the total staff expenses. Other expenses make up a smaller amount with depreciations being substantially higher in 2007 due to one-time depreciations in connection with the relocation from Sommerstedgade to Vester Voldgade, both in Copenhagen.

Table 2: LO/FTF Council Expenditure 2006 and 2007 (DKK millions)

| (DKK million) | 2006 | 2007 | Pct. 2006 | Pct. 2007 | Change 06-07 |
|-------------------------------|-------------|-------------|---------------|---------------|-----------------|
| Staff, project implementation | 4.4 | 4.8 | 35.7% | 34.9% | 7.6% |
| Staff, administration | 5.4 | 5.5 | 43.4% | 40.6% | 2.8% |
| Office rent, utilities etc. | 0.8 | 1.0 | 6.5% | 7.2% | 22.0% |
| Administration | 0.9 | 1.0 | 7.3% | 7.4% | 12.7% |
| Travelling and meetings | 0.5 | 0.6 | 4.1% | 4.1% | 9.7% |
| Other expenses | 0.2 | 0.3 | 1.6% | 1.9% | 31.3% |
| Depreciations | 0.2 | 0.5 | 1.4% | 3.7% | 187.6% |
| Total | 12.4 | 13.7 | 100.0% | 100.0% | 9.9% |

The Council recorded a net result of DKK 0.3 million in 2006 and DKK 0.5 million in 2007. The equity amounted to DKK 2.1 million at the end of 2007 and is stipulated to increase moderately in the coming years. The Council earns a minor income on the equity, which is mainly used as a buffer or to kick-start initiatives. The operations are therefore very much depending on the programme and project portfolio and the development in this. The following figure provides an estimate for the annual project portfolio measured in disbursement terms and including project and programme administration fees.

Table 3: Calculated¹⁴ LO/FTF Council Project Portfolio 2006-2010 (DKK millions)

| | 2006 | 2007 | 2008 | 2009 | 2010 |
|--------------|-------------|-------------|-------------|-------------|-------------|
| MFA (NGO) | 45.2 | 43.4 | 53.4 | 36.4 | 17.6 |
| MFA (Other) | 3.2 | 4.3 | 5.1 | 0.7 | - |
| Other | 2.2 | 4.3 | 3.2 | 1.8 | 1.0 |
| Total | 50.6 | 52.0 | 61.7 | 38.9 | 18.6 |
| MFA (NGO) | 89.3% | 83.5% | 86.5% | 93.6% | 94.6% |
| MFA | 95.7% | 91.7% | 94.8% | 95.4% | 94.6% |

The portfolio is stable with an increasing trend. The current year has been above the trend due to the approval and start of three major projects in the Africa region¹⁵, which also includes a consolidation of previous smaller projects. The activities in Latin-America assisted by the MFA have rolled over into a second phase. The anticipated approval of the Decent Work in Asia 2009-2011 Regional Programme will increase the overall portfolio with DKK 30.7 million of which DKK 11.8 million will be in 2009 and DKK 16.7 million will be in 2010. This increases the 2009 portfolio to DKK 50.7 million and the 2010 portfolio to DKK 35.2 million. Furthermore, the portfolio will increase with additional projects as time progresses. The MFA continues being the major client with approximately 95% of the portfolio. In addition to the project portfolio, the Danish labour movement contributes with estimated 10%.

¹⁴ The calculated annual programme and project portfolio is based on appropriation and duration. For example a project with an appropriation of DKK 5 million and a duration from 1st July 2007 to the 30th June 2009 (24 months) contributes with DKK 1.25 million (DKK 5 million * 6/24) in 2007; DKK 2.5 million (DKK 5 million * 12/24) in 2008, and; DKK 1.25 million (DKK 5 million * 6/24) in 2009.

¹⁵ "Capacity building of labour organisations in Ghana with focus on poverty and the informal economy", "Good Governance and Local Social Dialogue in East Africa", and "Decent Work, democracy and poverty alleviation in Southern Africa"

5.3 Conclusions on resource analysis

In conclusion it can be said that income and expenditure are closely related to project and programme activities. The Decent Work in Asia programme contributes to a total Council portfolio of approximately DKK 50 million in 2009 and will contribute significantly in 2010. Therefore, the Council will be able to sustain the current staff and activity level. The dependency on project and programme funds is, furthermore, partly reduced due to the equity and the potential ability to increase membership fees and the slightly growing portfolio provides together with member contributions a stable basis for the development of the Council and its activities.

6 Internal Analysis

6.1 Governance

The overall governing body of the LO/FTF Council is the *Board* with 15 members appointed by the LO's and FTF's Executive Committees. The Board meets biannually to discuss broader policy issues whereas the Secretariat is responsible for the specific selection and handling of projects. The Board is composed of political leaders from LO and FTF and important affiliates. This composition ensures a capability to make high level political decisions concerning mandate and overall distribution of funding between multi- and bilateral projects and between different Danish affiliates and LO/FTF.

Most Board members, however, have limited knowledge of and experience with the strategic issues, which increasingly face the LO/FTF Council at country and project levels. Such expertise is primarily rooted within the international secretariats of the organisations and members of thematic groups and regional support groups. As the LO/FTF Council is increasingly developing its strategic framework and becoming proactively involved in programme planning, there is a *growing need for rooting discussions and decisions more firmly within the governance set-up*. The involvement of the Board in the Good Union Governance initiative which funded by the Council commenced during the first weeks of January 2009 is a step towards involving the Board in international strategic activities and at the same time to give the board members an opportunity to familiarise themselves with thematic issues confronting partner organisations.

Another related structural aspect of quality assurance and professional capacity can be found in the way in which the Council utilises the professional and technical capacity of the affiliated organisations by involving them in thematic groups or regional support groups¹⁶.

Recommendation # 4: Popular foundation and strategic decisions

It is recommended that as the LO/FTF Council is increasingly developing their strategic framework and becoming proactively involved in programme planning, will ensure that strategic discussions will be more firmly rooted within the thematic and regional support groups.

The *Programme Management Committees* (PAC) can furthermore be seen as a step towards involving representatives from the Council's member organisations in international work

¹⁶ Please refer to Annex E for further information on various thematic and support groups

at the strategic level. The role of the PACs is among others to contribute to enhanced quality of the programmes through experience sharing, provision of advisory services and contributions to the international work of the Danish union movement. The PACs typically include representatives from trade unions relevant to the particular programme and these representatives are often active in the Council's regional support groups. The Danish members of the PACs therefore perform a dual role as they on one side contribute to enhancing the popular foundation of the Council's activities and at the same time contribute to the provision of Danish inputs to programme management. The role of the PAC is to act as an advisory body particularly in relation to general assessment of programme implementation and partner cooperation and to major adjustments in programme strategy, objectives and budgets. While it is found that the advisory role of the PAC contributes to enhancing popular foundation of the Council's activities and promoting interaction between partner and Danish union representatives and thereby to network creation, it should also be noted that actual responsibility towards the board and MFA for programme administration and implementation lies with the secretariat in Copenhagen. This implies that it is difficult to establish programme management structures ensuring full ownership by partners.

Recommendation # 5: Revisiting the role of Programme Advisory Committees

It is recommended that as the LO/FTF Council revisit the role of the Programme Advisory Committees as by clarifying decision making processes as to ensure that partner involvement in decision making is furthered.

6.2 Structures and Staff

The LO/FTF Council has presently a *total of 35 staff members employed*. As visualised in the organogram attached as Annex E 15 staff members are working at headquarters in Copenhagen in the four regional departments covering Asia, Africa, Latin America and Arabia/EU and in departments responsible for information activities in Denmark and general administrative and financial control. 20 staff members are working in country offices of which 9 are working in Africa (Maputo, Arusha and Accra), 7 in Asia (Manila, Kathmandu and Phnom Phen) and 4 in Nicaragua covering Latin America.

The Council has a *policy to staff each country office* with one international advisor to provide overall country and regional advice, one national programme officer to provide national insights and coordination and one national finance officer providing administrative and financial support. Clear planning and reporting guidelines, systems and procedures have been developed to ensure linkages between country offices and the geographical depart-

ment in Copenhagen to which they belong¹⁷. While the efforts put into securing clear cooperation between the regional department in Copenhagen and its respective country offices are commendable, there is - if all activities are managed along geographical lines- a *risk for geographical compartmentalization at the expense for securing coherence in organisational approaches*. The Council is in the future to likely to enter a MFA agreement covering three regional programmes, which gives the Council the challenge to develop the capacity for dealing with geographical specific issues as well as thematic issues cutting across geographical boundaries. The present structure is reflecting the geographical orientation, potentially leading to a compartmentalization of lessons learned which could be used for further thematic development. This is supported by team experience during the appraisal and capacity review a number of incidents where Council staff was not aware of approaches and lessons learned in other geographical programmes.

Recommendation # 5: Institutionalisation of learning fora

It is recommended as to prevent risk for internal geographical compartmentalization that the work in the “Redsskabsskur” as well as in cross-cutting working groups will be further broadened and institutionalised as to give further focus and impetus to development of thematic approaches, methods and tools across geographical boundaries.

In line with the recommendation of the 2003 capacity review to broaden the base of expertise the board decided in 2006 to establish a *registry of resource persons in the Danish union movement* who would be interesting in providing advisory assistance to south partners. Following an introductory two days conference for invited representatives, the registry today contains a pool of 102 persons which the LO/FTF Council can mobilise for short term inputs. An average of app. 10 persons are reportedly mobilised every year for provision of short term inputs and typically this would be at a fee level reflecting their normal fee, which is paid by their employer or by the Council.

Based on selected interviews as well as review of the educational and professional staff records the Council is found to have adequate staff resources with *sufficient experience and insight into the programme countries presently selected*. The staff members in Copenhagen widely possess general programme capabilities and the staff members deployed at the country offices possess in-depth country knowledge. While general programme management and geographical knowledge is adequately catered for, it is an open question whether thematic knowledge is sufficiently covered by the core staff of the Council. Obviously the registry

¹⁷ LO/FTF Council: “Guidelines for LO/FTF Regional Structure in Asia” 2008 is an example of guidelines developed for a particular regional programme

of external union representatives can be utilised for providing short term inputs addressing particular thematic issues. Coordination of these inputs as well as development of methods and tools to support the external resource persons is however needed, and further strengthening of the cross –cutting working groups and support functions depicted in Annex E is recommended.

6.3 Popular foundation and information activities

The popular foundation of the LO/FTF Council is based on the member organisations, i.e. LO, FTF and affiliated organisations with more than 1.6 million members. The direct work with projects and partners, apart from the LO/FTF Council secretarial staff, mostly involves the international secretaries of the unions or other staff responsible for the co-operation with the LO/FTF Council. The affiliates involved in development projects in the South often have one person in the Project Advisory Committee. At times, the elected representatives from the unions get involved and participate in project visits and/or missions as advisors.

The LO/FTF Council has developed an *information strategy* approved by the Board in May 2006 as to further enhance its popular foundation. The information strategy which includes three main focus areas:

- i) information targeting members of the Danish trade unions
- ii) information targeting networks and specific professional groups
- iii) communication targeting the general public including politicians

The main *information channels* are the web-site, professional and geographical networks, bi-annual printed and electronic news bulletin, documentary DVDs and films and broader campaigns. The LO/FTF Council has developed product analyses for all above channels clearly describing scope, target group etc.

The information activities are as seen from table 4 only to a *limited extent financially depending on MFA PRO funding* as MFA funding constitutes between 22 % to 31% of total funding in 2006 and 2007. Funding provided by the Council through financial support from trade unions and through salary of 2 part time information employees and consultants paid for by the LO/FTF Council is the main source of funding (67% to 74%).

Table 4: Budget and funding for LO/FTF Council information activities (DKK)

| | Total funding | PRO funding | Own funding | Other sources |
|------|---------------|-------------|-------------|---------------|
| 2006 | 5.330.357 | 1.640.332 | 3.564.322 | 125.703 |

| | | | | |
|-------------|-----------|-----------|-----------|---------|
| | 100% | 31% | 67% | 2% |
| 2007 | 5.476.584 | 1.216.164 | 4.070.549 | 189.871 |
| | 100% | 22% | 74% | 3% |

It should also be noted that *annual campaigns* constitute the main information activity as 60-75% of the annual budgets in 2006 and 2007 were allocated for campaigns on South Asia and eastern Africa¹⁸. The 2009 campaign will focus on youth and access to education in Latin America.

The *information activities of the LO/FTF Council were evaluated* as part of the overall MFA evaluation of information activities related to developing countries carried out in 2008. Generally, the information activities of the LO/FTF Council are assessed positively as films, DVDs, prints and photos produced by the Council are found to be professionally done and of high quality and that the Council is one of the organisations which with regard to communication have the greatest potentials for reaching “further and deeper”¹⁹.

In conclusion it can be said, that the Council after having lost its status as framework organisation in 2003 outsourced a number of information functions and today has adopted a more flexible approach, where part time staff employed by the Council coordinate information activities and external consultants to a higher extent than before are recruited for information design and production. The Council has a wide network in Denmark for dissemination of information as well as good contacts in Africa, Asia and Latin America enabling the Council to portray important themes in its material as well as identifying south representatives to carry out information activities in Denmark. It is noted that board decisions as a practical example on good union governance are available on the Council’s web-site. Given the prominent role assigned to the web-site in the Council’s information strategy, it is however surprising that the site is not more elaborate and more frequently up-dated.

¹⁸ Please refer to annex F for further information on 2006-07 budget for LO/FTF Council information activities.

¹⁹ Please refer to section 6 on pp 47-59 of ”Evaluering af Oplysningsvirksomhed om Udviklingslande”, COWI & Danicom for MFA, 2008 for further information on assessment of information activities carried out by the LO/FTF Council. The assessment is in the main evaluation report kept at a relatively general level. A more specific analysis of LO/FTF Council information products are envisaged to be prepared by Cowi, but has not yet been published.

6.4 Programme Management Capacity

6.4.1 General programme management

The 2000 and 2003 capacity reviews recommended that the LO/FTF Council should further develop its procedures and systems for programme and project implementation. The LO/FTF Council has over the past 5 years further intensified its work on upgrading its programme management capacity and has developed a number of manuals .

For *programme development* an elaborate checklist for development of programme and project documents has been developed. The checklist provides a substantive description of the programming procedures and formats, which support a comprehensive and consistent approach to programme development.

For *management of regional programmes* regional departments of the Council have developed guidelines for programme management. The Asian department has as an example as part of the preparation of the regional Asian programme in 2008 prepared guidelines describing the staffing structure, job responsibilities of all involved staff (except the lead consultant) as well as a comprehensive list of procedures and formats to be jointly used for programme planning and reporting by Council staff and partner organisations. While it is appreciated that guidelines for programme management have been developed by the regional departments for their respective regional programmes, there is also a risk that the overall programme management could become compartmentalised, if appropriate linkages between the regional departments would not prevent fragmented approaches to programme management. As the checklist for programme development highlights that certain parts of programme organisation and management have become so standardised that only adaptations are needed²⁰, it could be considered to further specify the standards and share these between regional departments.

For *staff working at the Council's headquarters* in Copenhagen the Council has developed a personnel handbook, which besides of describing employment conditions and practical issues as e.g. use of the IT platform also includes sections on the development policy platform of the Council as well as internal project and programme procedures and processes.

Interviews carried out as part of this capacity analysis confirmed that staff at headquarters is familiar with and competent in using the manuals and widely has adequate general

²⁰ LO/FTF Council: "Checkliste til udarbejdelse af program og projektdokumenter i Ulandssekretariatet", 2008 p. 12

programme management competences. The manuals furthermore provide detailed information on partner responsibilities including formats for partner contracts as well as formats for planning and reporting to be carried out by the partners. It should be noted that the manuals primarily deal with programme formulation and implementation and contains less elaborate guidance on *evaluation of programmes*. It would facilitate further partner involvement in programme design and management if the check list and relevant parts of the Handbook – which presently only have been printed in Danish -would be *translated into English, Portuguese and Spanish* so they could be used by local staff employed by regional offices as well as by staff in partner organisations.

Recommendation # 7: Standardisation and translation of general programme management guidelines

It is recommended that the Council further develop standards as basis for adaptations of general programme management and organisation and as to promote enhanced cooperation with partners to ensure that its policy platform, programme management checklists and guidelines will be developed in English, Spanish and Portuguese.

6.4.2 Thematic programme management

Besides of general programme management reflecting the various stages of a programme, successful programme management also requires capacities for *management of thematic aspects of the programmes*. This need for further development of thematic capacities is further necessitated by the fact that staff of the Council is widely engaged in provision of thematic inputs as consultants.

With regard to staff development the Council is supporting its staff in continued competence development. Thematic meetings are taking place as found needed with issues like LFA, the role of PACs and tools development on the agenda. Two days staff conferences as are furthermore taking place annually where new development needs are discussed.

Thematic development of new methods and tools are envisaged to take place in the Tools Room (*Redskabsskuret*). While the “Redskabsskur” has been instrumental in e.g. developing the checklists for programme formulation and management, it is primarily operating as an informal forum and has not been institutionalised as its role is not mentioned in the Personnel Handbook.

The Council appears primarily to have focused on development of tools and methods for general programme management and *less for management of thematic issues*. The Council has

itself identified quite a long list of themes requiring further development such as youth, migration and globalisation vulnerable groups and gender, strategic approaches, sustainability analyses and exit strategies²¹. The Council is in its policy platform document referring to its intention to further develop cutting edge methods, tools and staff competences; however the specific areas to be developed are not mentioned²². One factor possibly contributing to this is that the outputs to be achieved and the exact services to be delivered by the Council in order to achieve the outputs have as mentioned chapter 2 only is vaguely defined.

Recommendation # 8: Thematic method, tool and staff development

It is recommended that the Council would further identify the main categories of outputs it is aiming at delivering and the services required to achieve this as the basis for specification of thematic methods, tools and staff technical competencies to be developed.

6.4.3 Emerging trends in programme management

Following the Paris Declaration in 2005 and more notably the Accra Agenda for Action in 2008, which in more details relates to the civil society, it can be noted that issues such as harmonisation between donors, alignment to national strategies and systems as well as enhanced focus on national ownership have gained increased impetus.

With regard to *harmonisation* then the Norwegian, Swedish and Dutch trade unions, who are the most likely cooperation partner to the Council are characterised by having adopted a very traditional project oriented approach which is not compatible with the programmatic approach adopted by the Council. The scope for harmonisation with these organisations is therefore very limited. The Council is regularly attending joint donor meetings such as e.g. in Asia, attended by bi- and multilateral donors and it is recommended that possibilities for further involvement in co-funded activities are pursued.

Whereas *alignment* to national partner policies and strategies is being pursued by the Council as the basis for its programmes, the contractual arrangement with MFA creates certain limitations for pursuing full alignment in terms of programme management being based on national partner systems and procedures. The Council has as sole signatory to

²¹ LO/FTF Council: "Checkliste til udarbejdelse af program og projektdokumenter i Ulandssekretariatet", 2008, p. 5, p.8, p.9 and p.10

²² LO/FTF Council: "Ulandssekretariatets bistandspolitiske platform" 2008 p. 3 and p. 15

ensure that reporting meet MFA requirements based on prescribed formats. The Council has developed clear formats and procedures to be followed by national partners.

Recommendation # 9: Harmonisation and alignment of programme management

It is recommended that the Council where possible will explore avenues for harmonisation of support with other donors and together with MFA will examine programme planning and reporting requirements with the view to further align programme management to be based on partner systems and procedures.

6.5 Financial Management

6.5.1 The financial management system and processes

The Council has an *independent financial management and accounting system* with records being maintained in a tailor-made set-up based on the Microsoft Dynamics accounting software. There is a detailed set of manuals and instructions for handling of financial management processes at central, regional as well as at partner level. The manuals, procedures, and instructions are up to date and comprehensive. They include processes and responsibilities for authorisation of expenditure, disbursements, bookkeeping and accounting as well as procurements. Besides the set-up and use of Microsoft Dynamics is documented.

The Councils annual budget is approved by the Board. The partner budgets are approved in collaboration with the Council. Annual Project Implementation Plans (work plans) and partner budgets may be adjusted through mutual agreement by the Council and partner as need arises and always within the project and/or programme appropriation. Funds are released to the partners on a quarterly basis against approved progress and financial reports for the just completed quarters. The partners have one month to submit the reports and are provided with a buffer corresponding to one month implementation. Expenditure data is reported in accordance with standardized expenditure types and within the overall accounts structure maintained by the Council. This in turn is designed to *meet the requirements of the Ministry of Foreign Affairs*. Issues of contention are normally addressed within one week after receiving the reports.

Budget releases are recorded as an advance in the Councils booking keeping system. There is a link between the Project Implementation Plans, the budgets, the financial reports, and the audited financial statements. Project expenditure vis-à-vis appropriations are monitored in a separate spread sheet on the basis of quarterly financial reports. The spread sheet is updated and reconciled on a quarterly basis and against the audited finan-

cial statements. The reconciliation is reviewed by the Councils external auditor. Funds provided by the Council are kept in a separate bank account and are audited separately.

The annual *financial statements are audited by a chartered accountant* and signed by the chairman of the Board, the deputy chairperson of the Board, and the Head of the Council Secretariat. The 2007 audited financial statements were signed on the 14th May 2008 and subsequently adopted by the full Board on the 23rd May 2008.

All partner *financial statements are audited by a national chartered accountant*, which is approved by the Council. The Councils (Danish) auditor provides quality assurance on an annual basis through: (i) a questionnaire distributed to the respective partner auditors, and; (ii) a review of the respective partners audited financial statements and management letters, which have to be ready within three months after year end. It is the impression that the quality of the national audit process is adequate.

6.5.2 Systems and procedures established in order to fulfil the requirements of MFA

The Council maintains a *time logging system* to comply with the requirements for charging technical-specific consultancy services in compliance with the “General Guidelines for Grant Administration through Danish NGOs”²³. The manuals also provide guidance on what is covered by the administration fee and what is not. The annual audit includes a review of the time logging and the subsequent charge of technical specific consultancy services. There is a record of the charged rate. The record is updated regularly in observance of the maximum rate as per MFA guidelines.

The Councils publication “*Guidelines for reporting, accounting, and auditing of projects granted from Danish Government funds (MFA)*” guides the relations with the partners. This relation is formalized in a project contract with each partner. The partner contract includes a corruption clause as per MFA guidelines. The deadline for the annual progress and financial reports are one month earlier as the MFA requirements, which provides the Council with one month to complete the consolidated report to MFA. The contracts do not include the types and conditions for consultancy services provided by the Council nor the budget for same.

The *administration fee* is calculated as 7% of the actual expenditure and is used to cover institutional overheads and project and programme administration in accordance with the

²³ MFA April 2006 edition

“General Guidelines for Grant Administration through Danish NGOs”. The income from project and programme administration is recorded separately in the income statements.

6.5.3 Cooperation with national partners in respect of financial management issues

The Council maintains a standardised set-up to facilitate consolidation across projects and programmes and to comply with MFA regulations, including project/programme budgets.

One of the overall Council strategies is *capacity development of trade union organisations*. Partner set-up is dependent on the capacity and the ongoing partner organisational development. Set-up is always prepared in co-operation with the partner and by using existing accounting systems, chart of accounts, and procedures, when possible, but in respect of MFA requirements as per various guidelines. This implies that the partner may decide to administrate all project funds in an aligned manner i.e. by using one accounting set-up. The partner is, however, required to present separate audited financial statements. Therefore, some partners prefer to maintain parallel accounts as their systems cannot adopt the reporting requirements of one or more donor. There is no systematic harmonisation across funders but the Council is attempting to harmonise with Nordic, Dutch and German sister organisations, where applicable.

Some partners do not have the necessary man power, IT or capacity to handle an overall set-up. The Council assists these partners in setting a suitable accounting system or provides the necessary support in modifying an existing system. Backstopping is provided continuously and as need arises.

The *reporting requirements are strictly observed* as no funds are released without acceptable reports. Unacceptable reports are scrutinised to determine whether the lack of quality is due to misconduct, misunderstandings, errors, or lack of capacity. A dialogue will always be undertaken within typically one week to determine the reason. Possible misunderstandings or an arithmetical incorrectness are corrected within the parameters given by the administration fees whereas capacity development support is provided by either Copenhagen or the regional office as technical-specific consultancy services.

The *latest case of serious anomaly was detected in Uganda in 2006* as part of the partner external audit for 2005. The case arose from other project funds thus it remains uncertain whether Danish funds were subjected to the fraud. It remains unresolved and includes approx-

imately DKK 3,000 un-supported expenditure for 2005, DKK 18,000 un-supported expenditure for 2006, and DKK 21,000 un-retained unused funds i.e. a total of approximately DKK 42,000. The case has been reported to the MFA and follow-ups are being made by the Council.

In conclusion it can be said that the Council's financial management system is compliant with the requirements prescribed in the "General Guidelines for Grant Administration through Danish NGOs. Timely support is provided as need arises. The deadlines are tight to allow for consolidation and onwards reporting to the MFA. The tight deadlines and strictly enforced requirements for the release of funds imply a risk for stop/go implementation. The immediate and ongoing partner dialogue attempts to mitigate this, though it is an operational and political decision how to balance operational flexibility with risk mitigation. The current set-up seems rigid but it has reduced the accumulation of partner errors and prevented serious cases of financial mal-practises, fraud, and/or embezzlement of funds.

The use of the administration fee and the handling of technical-specific consultancy services is within the parameters given by MFA guidelines. It would, however, increase transparency and governance if the conditions for and types of TA were included in the partner contracts.

It has been difficult to assess the level of harmonisation with other funders and alignment to partner systems. However, given the project nature and differences in partner capacity it has its limitations. Consequently, harmonisation and alignment has to be on a case by case basis with a focus on increased alignment with partner systems to reduce transaction costs at partner level.

Recommendation # 10: Alignment of financial management

It is recommended that the Council together with MFA will examine financial management requirements with the view to further align financial management to be based on partner systems and procedures.

6.6 Conclusions on Internal Analysis

Generally, the Council is characterised by having very *developed elaborate general management systems, procedures and tools* and having a high programme formulation and management capacity. The developed systems allow the headquarters in Copenhagen to closely follow

programme implementation and address management challenges and financial anomalies immediately.

As indicated by the recommendations included in this chapter the *major internal challenge facing the Council* is to open up as to ensure further involvement of representatives from its popular foundation in e.g. thematic and support groups as well as together with MFA within the framework of the present contracting modalities with the Council as sole signatory to pursue opportunities for harmonisation and alignment.

Another challenge is to supplement the present rather impressive general programme management capacity of the Council with development of thematic methods and tools and technical staff capacities reflecting prioritised organisational outputs.

7 Key Findings and Recommendation

7.1 Learning and Change Capacity

The Council has after losing its framework status in 2003 demonstrated that it has been *committed to and able to adjust to a new situation* where funding and management of operations were based on project modalities. During the last 5 years most recommendations of the 2000 and 2003 reviews have been implemented²⁴ and the Council has widely developed and consolidated its capacity to manage the various stages characteristic for both programme and project modalities.

The commitment of the Council to *explore learning possibilities* can be seen from a number of recent initiatives:

- The Council is regularly holding regional seminars with partners as to ensure that learning will be shared between partners
- Yearly conferences are held with external resource persons as to facilitate exchange of ideas
- Yearly internal staff conferences are held to exchange learning points between staff
- Development of a number of general management guidelines and staff handbooks based on experience gained
- The establishment of the “Redskabsskur” as a forum for ad-hoc sharing of learning to be converted into tool development

At project level, there are multiple examples that learning has resulted in swift and relevant changes in the projects. There is, however, a *need for developing a culture and systems for turning project level learning into organisational learning*. Most learning has stayed undocumented and ‘stored’ in persons rather than being institutionalised nor disseminated. The extensive experience at project level is not transformed into organisational learning.

At the same time, there is a *need to broaden the focus for learning at project level*. Most often the learning here deals with refining the approach and activities, whereas it seems that less attention is paid to strategies, outcomes and impact, which could be uplifted to organisational learning.

²⁴ Please refer to Annex C for further analysis of status on implementation of recommendations from the 2000 and 2003 capacity assessments

There is *no formalised structure within the Secretariat for discussion of thematic 'lessons learned'* across professions and the present ad-hoc status of “Redskabsskuret” could be further institutionalised. A formalised structure for discussion with persons representing the popular foundation could also be further developed.

7.2 Comparative advantages of the LO/FTF Council

In light of a number of criteria developed by MFA as basis for assessment of whether Danish NGOs can be considered as qualified for support to implantation of programmes²⁵ the following comparative advantages of the LO/FTF Council can be mentioned:

1. The Council is widely seen as *having the capacity to manage programme activities adequately and in line with the CSS*. However, it is recommended that the Council will further develop capacities on inclusion of gender as a cross-cutting issue, development of frameworks for advocacy and approaches for horizontal involvement with CSOs outside the trade union structures.
2. The Council is also assessed as having *developed programs documenting continuity in planning of interventions and describing overall strategy*. Prioritisation of thematic focus areas as basis for development of organisational core competencies would improve the professional capacity of the Council.
3. The Council is also found to have the *administrative capacity* to professionally prepare, implement, monitor and complete programmes. The Council does also internally as well as through its network of resource persons possess certain technical capacities for programme preparation, implementation and monitoring. However, the technical staff capacities reflecting prioritised thematic focus areas could be further developed.
4. Furthermore the *objectives, interventions and partner choice are found to be in line with CSS*.
5. Finally, the Council has a highly developed *capacity to administrate funds*.

The Council is found to possess the capacities relevant to manage its existing portfolio of projects and programmes in Africa, Asia and Latin America. *In case development of new programmes would be considered* the following observations can be made based on the analysis of this report:

1. The Council should develop clear set of *criteria for sectoral and thematic prioritisation* as to make rationale for its choices transparent and as to facilitate focused scope of future interventions

²⁵ Danida: Draft outline on Programme Agreements, 2008

2. The Council should also – given the rather broad formulation of criteria for geographical orientations develop more detailed *criteria for country selection* as basis for development of new programmes
3. Similarly, the *criteria for selection of target groups* which presently are very wide should be further specified as to facilitate that clear rationale for inclusion of various target groups would be enhanced.
4. The Council's present approach to and capacity for *managing information activities* are found to be adequate and to serve as good basis for new information activities
5. Finally, the Council is through its affiliation with the international union structures *exercise adequate global engagement*.

8 List of Annexes

8.1 Annex A: Terms of Reference

for
Appraisal of LO/FTF Council's (Ulandssekretariatet's)
“Support to Decent Work in Asia –A regional Programme”
and general analysis of organisational capacity of the LO/FTF Council

Ref. no. 104.N.11.b.15.
27th October 2008

1. Background

The LO/FTF Council was established in 1987 by The Danish Confederation of Trade Unions (LO) and The Danish Confederation of Civil Servants and Salaried Employees (FTF) with the purpose of strengthening trade union organisations in developing countries.

Since the early 1990's LO/FTF Council has implemented a number of programmes with national trade union confederations in Nepal, Bangladesh, Philippines and Cambodia as well as SEWA working with women in the informal sector in India. As a consequence of the new Danish Strategy for NGO Cooperation, 2008, it has been decided to consolidate a number of the previous activities into a more coherent regional programme.

The proposed programme will operate in four countries (Nepal, Bangladesh, Cambodia and Philippines) as well as regional activities through ITUC-AP in Singapore and SEWA in India under the overall objective of improving the living conditions for children, women and men in the formal and informal economy.

The proposed programme has the following 6 components with immediate objectives stated for each:

| Title | (Primary) Partner organisation(s) | Type |
|---|--|-----------------------------|
| Component 1: Decent Work and the Labour Laws in Asia | The International Trade Union Confederation – Asia Pacific (ITUC-AP) | Regional/Thematic Programme |
| Component 2: Bangladesh Country Programme | Bangladesh Institute of Labour Studies (BILS) | Country Programme |
| Component 3: Cambodia Project – Human Rights and Industrial Peace | Cambodia Confederation of Trade Unions (CCTU) & Cambodian Labour Confeder- | National project |

| | ation (CLC) | |
|--|--|-----------------------------|
| Component 4: Informal Economy and Democracy in Nepal | Nepal Trade Union Congress (NTUC) & General Federation of Nepal Trade Unions (Gefont) | Country Programme |
| Component 5: Decent Work, Poverty Alleviation and Good Union Governance in the Philippines | Public Services Labor Independent Confederation (PSLINK) & The Association of Construction and Informal Workers (ACIW) | Country programme |
| Component 6: Women in the Informal Economy in Asia | Self Employed Women's Association (SEWA) | Thematic/regional programme |

The appraisal of this programme forms the first part of the assignment of the consultant team. The capacity of collaborating partners, the collaboration with government authorities, as well as the relevance of the budget should be appraised.

From 1992 until 2004 the LO/FTF Council held a framework agreement with MFA. In 1995 and 2000 MFA carried out capacity assessments of, followed up by a thematic review in 2002-03, but since then no assessment has been made of the LO/FTF Council capacity.

In August 2008 the Board of MFA approved a similar regional programme for Southern Africa and an application for a programme in Central America is anticipated in 2009 . There is therefore a need to assess the organisations capacity to coordinate and administrate a portfolio comprising 3 regional programmes. Conduction of this organisational capacity assessment forms the second part of the assignment under these Terms of Reference.

2. Objectives

The main objectives of the assignment are:

- provide additional analysis and information for MFA's approval of the programme proposal, and - in case the programme proposal is deemed feasible - provide the LO/FTF Council with guidance for possible adjustments of the programme proposal.
- Provide an institutional analysis of the LO/FTF Councils organisational capacity to coordinate and administrate a portfolio of three regional programmes and if need provide recommendations to improvements of the institutional capacity

3. Outputs

- A mission preparation note to be presented to MFA prior to initiation of field visits and work on the capacity analysis.

- An appraisal report, which does not exceed 15 pages plus appendices.
- An institutional capacity assessment report
- If the recommendations lead to major revisions of the programme proposal, the appraisal team will be asked to prepare a short desk-appraisal of the revised programme proposal.

The documents shall whenever relevant and feasible be prepared according to MFA's Aid Management Guidelines.

4. Scope of Work

The appraisal of the programme itself should include, but not be limited to the following:

1. Based on progress and monitoring reports, conduct a desk review of main experience and lessons from previous LO/FTF Council projects in Asia relevant to the proposed new programme;
2. Assess the involvement of local partners in the preparation process and the overall approach and potential for local participation, ownership and capacity building;
3. Assess the justification for a regional programme approach rather than separate national activities;
4. Identify learning mechanisms from national projects of potential benefit to the regional programme and analyse how existing experience has fed into the preparation of the programme proposal;
5. Assess the implementation capacity of the local partners involved in the programme;
6. Assess the proposed management set-up for the programme with special attention to the role and composition of the Programme Advisory Committee and monitoring mechanisms;
7. Assess the justification for further support to the trade union movement in Asia and whether the regional programme will be in line with the updated Strategy for Danish Support to Civil Society (2008), particularly capacity building and advocacy;
8. Assess how the proposed programme in a larger context may contribute to poverty reduction, empowerment of marginalised groups and promotion of democracy in Asia via ITUC-AP
9. Assess if the programme proposal has taken into consideration the national labour market policies, relevant national legislation and actions of the governments, as well as proposed modalities for coordination/interaction with government authorities;
10. Assess the gender sensitivity of the programme strategy with regard to an appropriate targeting of women and men respectively - including the role of women in programme implementation and management, and their benefit from the outputs produced by the programme;
11. Identify possible areas of synergy between national and regional activities, with special focus on how national efforts to influence legislation on labour rights are informed by experience available elsewhere in the region, e.g. through the ITUC-AP

12. Assess relations with other international partners and potential complementarities in those relations;
13. Assess the cost-effectiveness of the programme, including comparison with cost per beneficiary/inhabitant for similar projects;
14. Assess the proposed use of Technical Assistance in terms of costs and possible use of regional and local expertise;
15. Assess the sustainability of the programme;
16. Recommend if the programme should be supported by MFA, and if positive and needed, recommend adjustments in objectives, outputs and activities, the strategy and plan of implementation of the programme.

The institutional capacity assessment should include but not necessarily be limited to the following areas in collaboration with LO/FTF Council:

2. Revisit previous capacity assessments performed in 2000 and 2003 as part of previous approval as framework organisation
3. Analyse the overall strategy of LO/FTF Council, particularly in relation to the principles set out in MFAs Strategy for Civil Society Cooperation (Civilsamfundsstrategien 2008)
4. Prepare a ROACH analysis of the international programme and identify constraints, which may reduce feasibility for MFA funding
5. Analyse the comparative advantages of LO/FTF Council for international projects including assessment of focus and scope of programme portfolio
6. Analysis of overall organisation and professional capacity for management of a portfolio of regional programmes in Africa, Asia and Central America – taking into account both MFA funded programmes, programmes with funding from own or other external sources. The analysis should cover areas such as:
 - a. The extent and adequacy of knowledge of selected regions and countries
 - b. Procedures for cooperation with local partners
 - c. Capacity to include MFA priorities and cross-cutting issues in programme activities
 - d. Learning ability and capacity to change
 - e. Experience, procedures and systems for programme and project formulation, management, monitoring, evaluation and follow-up of activities
 - f. Capacity for information activities to the Danish public
7. Assess the financial management capacity of LO/FTF Council regarding:
 - a. The adequacy and quality of general financial management systems
 - b. The quality of concrete financial management processes
 - c. Systems and procedures established in order to fulfil the requirements of MFA
 - d. The use of administration fees
 - e. The general cooperation with international partners regarding financial

- management issues, including i) guidelines for financial management ii) capacity to support and supervise financial aspects of cooperation with international partners, including capacity building, iii) degree of harmonisation to ease the work of partners receiving funding from different sources
- f. Capacity to react in case of suspected anomalies in financial management. The quality and availability of policies and procedures for actions in case of anomalies or suspected misuse of funds shall be assessed (if possible based on concrete cases)

5. Approach and Method of work

The appraisal team will carry out its tasks through:

- Desk review of relevant documents with special emphasis on progress and monitoring reports of previous activities in programme areas;
- Meetings with MFA, LO/FTF Council representatives and other relevant stakeholders (such as key participating unions) in Copenhagen
- Field visits to Asia with locations and timing to be selected and agreed as part of inception activities
- Debriefing in Denmark to discuss findings and recommendations.

The field visits will comprise consultations with relevant partners and stakeholders including regional confederations and national trade union centres, selected trade union representatives and other labour market stakeholders, as well as key persons at the relevant Danish Embassies. Visits to selected trade unions and work places shall be included where feasible.

Visits to Nepal, Bangladesh and Singapore are expected to be the most important, due to recent reports regarding the Philippines and the more limited scope of activities in Cambodia, but the team is invited to assess and discuss prioritization as part of the inception activities. Final plan for field visits must be approved by MFA in advance.

6. Reporting requirements

Prior to departure from Denmark, the team will present a short Mission Preparation Note including a work plan and a plan for field visits which will be discussed with MFA and LO/FTF (Ulandssekretariatet).

At the conclusion of field visits the team will prepare a short note with key observations and recommendations to be presented to the partners and upon the return to Denmark the consultant team will present a consolidated summary of key findings and recommendations to MFA and LO/FTF Council.

The team will prepare a draft appraisal report, which does not exceed 15 pages plus appendices. The draft report in English should be submitted to MFA in electronic version no later than 15th December 2007. The final report should be elaborated within one week after having received comments from the involved parties.

In case the programme is recommended for support from MFA, the team should elaborate a short programme description (maximum one page) in Danish comprising main programme components and activities. If the recommendations lead to major revisions of the programme proposal, LO/FTF Council will prepare a new programme proposal based on the recommendations. Subsequently, the team will prepare a short desk-appraisal of the new programme proposal.

The team will furthermore prepare a report summarising the findings from the capacity assessment of LO/FTF.

7. Composition of the team and timing

The appraisal team will consist of:

Jeef Bech, team leader
Jørgen Billetoft, consultant
Lars Udsholt, consultant
Mike Dahlgård, consultant

Representatives of MFA and LO/FTF Council respectively will function as resource persons to the team.

The international consultants' input will be approximately 50 working days (incl. travel and weekends) according to the tentative distribution on tasks below:

Preparation 10 days
Capacity analysis 10 days
Field visits 24 days
Draft report 6 days
Meetings 1 day
Final report 2 days

If needed a further three days may be added for a desk appraisal of a revised programme application from LO/FTF Council. Local consultants may be included with a maximum of 30 days.

Jeef Bech 20/10/08 16.49

Deleted: -

The field visits will take place in the period from the 13th November to 10th December 2008:

8. Background Information

Programme application:

- Ansøgningsskema: Støtte til fremme af anstændigt arbejde i Asien – Et regionalt program, 2009-11
- Programme and component documents and appendices

Ongoing projects:

- Relevant documents identified by LO/FTF Council and MFA and provided on a CD at meeting 24/10 2008

Other relevant documents:

- Capacity Assessment of the LO/FTF Council, May 2000 and the thematic review 2002/03.
- Appraisal of LO/FTF Council programme in Southern Africa
- Presentation of the LO/FTF Council and the LO/FTF strategy for International Work
- Project development tools
- Strategi for dansk støtte til civilsamfundet i udviklingslandene, 2008.
- MFA's Asia strategi
- MFA's Aid Management Guidelines (accessible through MFA website)
- De danske NGO'ers folkelige forankring, august 2004.
- Generelle retningslinier for tilskudsforvaltning gennem danske NGO'er, September 2004.

8.2 Annex B: List of Literature

DAC: *"Making economic growth more pro-poor: the role of employment and social protection"*, Draft Policy Statement, December 2008

LO/FTF Council: *"Vedr. Database over bistandsfaglige ressourcepersoner i danske fagbevægelse"*, 2006

LO/FTF Council: *Data on information activities 2006-07*

LO/FTF Council: *Board decisions 2006-08*

LO/FTF Council: *Selected programme documents for Africa, Asia and Latin America*, 2006-08

LO/FTF Council: *"Annual Report 2007"*

LO/FTF Council: *"Good Union Governance initiative initiated by the LO/FTF Council"*, 2007

LO/FTF Council: *Annual Report 2008*

LO/FTF Council: *"Checkliste til udarbejdelse af program og projektdokumenter i Ulandssekretariatet"*, 2008

LO/FTF Council: *"Good Union Governance mission to the Philippines"*, 2008

LO/FTF Council: *"Grundlag for projektkomiteernes etablering og virke i Ulandssekretariatet"*, 2008

LO/FTF Council: *"Guidelines for LO/FTF Regional Structure in Asia"* 2008

LO/FTF Council: *"Håndbog for personale i København"*, 2008

LO/FTF Council: *Selected financial programme data*, 2008

LO/FTF Council: *Staff Profiles*, 2008

LO/FTF Council: *"Ulandssekretariatets bistandspolitiske platform"*, 2008

MFA: *"Capacity Assessment and Reviews of NGOs with Framework Agreement-LO/FTF Council"*, by IDP, May 2000

MFA: *"LO/FTF Council Thematic Review"*, by Development Associates 2003

MFA: *Desk Appraisal af Programmet "Fremme af anstændigt arbejde, fattigdomsbekæmpelse og god regeringsførelse i fagforeninger"*, 2005

MFA: *Decent Work and Poverty Alleviation in Southern Africa*, Appraisal Report, 2007

MFA: *"Evaluerings af Oplysningsvirksomhed om Udviklingslande"*, by COWI & Danicom, 2008

MFA: *Desk Appraisal af Programmet "Fremme af anstændigt arbejde, fattigdomsbekæmpelse og god regeringsførelse i fagforeninger"*, 2008

MFA: *"Draft outline on Programme Agreements"*, 2008

MFA: , ”*Strategi for Dansk Støtte til Civilsamfundet i Udviklingslandene*”, 2008

8.3 Annex C: Review of 2000 and 2003 ULS Capacity Assessments

The capacity of the LO/FTF Council was assessed in 2000²⁶ and an up-date was carried out in 2003²⁷ after which no assessment has been made of the LO/FTF Council's capacity²⁸. It should however be noted that both reviews were carried out while the Council was holding a framework agreement with MFA and the findings therefore are not directly relevant to the present situation of the Council.

The recommendations of 2000 study were re-assessed in the 2003 study and it was found that the majority of had been fulfilled such as:

- Clarification of LO/FTF Council mandate viz-a-viz the Danish trade unions
- Securing broader base for involvement of programme staff and developing clearer procedures for quality control and back stopping as to reduce dependency on few key persons
- Development of network of key specialists within the core areas of the Council and expand recruitment base
- Securing clearer strategic communication with MFA by making strategic considerations, discussions and dilemmas more transparent in applications
- Ensuring objectives and indicators for advocacy and lobby are better integrated into project designs

Full overview had not been gained in the 2003 desk study in relation to following issues:

- Development of structures for involving international secretaries from the Danish trade unions
- Decentralisation of functions of the secretariat in Copenhagen to regional representations including further development of decision making, quality structure and backstopping structures.

Finally, following issues were found as requiring *further attention*:

²⁶ "Capacity Assessment and Reviews of NGOs with Framework Agreement–LO/FTF Council" IDP, May 2000

²⁷ "LO/FTF Council Thematic Review", Development Associates, 2003

²⁸ It should be noted that the overall assignment covers two distinctive – and yet interrelated – issues, namely firstly the appraisal of the "Support to Decent Work in Asia – a regional programme" which is covered in a report, under separate cover and secondly an assessment of the capacity of the LO/FTF Council to manage programmes, which is addressed in this report.

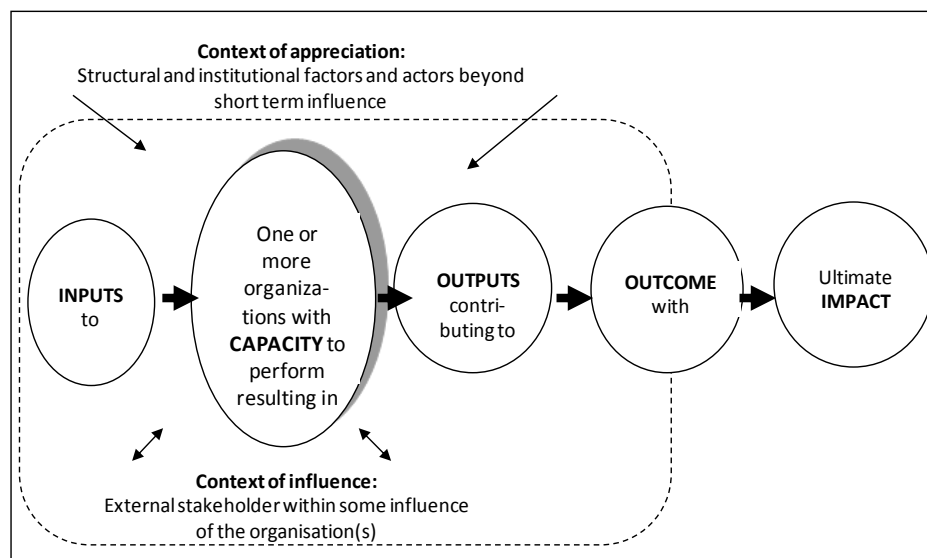
- Development of well-structured strategy document based on sharper analysis of contextual problems and rationales for strategic choices including coordination of issues among Northern actors
- Enhanced capacity development of the Council through systematisation of project planning and management tools and development of approaches to core focus areas.

Above analysis can be summarised in below matrix:

| # | 2000 Recommendations | 2003 Assessment | 2008 Review |
|---|---|-------------------------------|--|
| 1 | Re Mandate: It is recommended that the LO/FTF Council address the current challenge for the Danish Trade Union Movement to find adequate structures and systems for division of roles, co-ordination and experience sharing, and to search for models and solutions as to its own future role and mandate within this framework. | Recommendation implemented | Found to be adequate |
| 2 | Re Strategy: It is recommended that the LO/FTF Council develop a separate and well-structured stand-alone strategy document. The strategy should define the interrelationship between the major strategic elements of the current strategy and include definitions and indicators of key concepts. Especially, the concept of capacity building of trade unions should be clarified, as should indicators as to how trade unions may influence democratic development in the different countries and regions. Region and country strategies should be expanded to provide a sharper analysis of contextual problems and rationales for strategic choices made. Co-ordination issues among Northern actors should also be highlighted. | Requiring further attention | Further specification and prioritisation of Council outputs and services needed as basis for continued development |
| 3 | Re Structure: In order to root the strategic discussions more firmly within the resource base on international development in the trade unions and to enhance quality assurance of the work of the LO/FTF Council, it is recommended that structures and mechanisms for involving the International Secretaries be developed. | Full overview not established | Representatives from popular foundation to be further involved and PAC role to be reviewed |
| 4 | Re Structure: It is recommended that the staffing policy and the division of roles and responsibilities within the Secretariat be reconsidered and that a secretarial structure is introduced, which limits the high dependency on few key persons by introducing a broader base of (involved) programme staff and clear procedures for backstopping and internal quality control. | Recommendation implemented | Found to be adequate |
| 5 | Re Structure: It is recommended that the process of decentralising functions of the | Full overview | Found to be |

| | | | |
|---|---|-----------------------------|---|
| | Secretariat of the LO/FTF Council, by establishing regional representatives, be continued. Different models for this decentralisation can be developed, but it should be ensured that these are well thought through and that objectives, functions and responsibilities are clearly defined. The overall decision-making, quality assurance, and back-stopping structure within the LO/FTF Council should be further developed and clarified as part of this process. | not established | adequate |
| 6 | Re Strategic cooperation with MFA: It is recommended that the LO/FTF Council and MFA ensures that strategic discussions are enhanced around countries, where the LO/FTF Council has special knowledge, expertise and hands on experience. The LO/FTF Council should invite to a better dialogue by making strategic considerations, discussions and dilemmas more transparent in their Framework Applications, and by supporting these with relevant studies and project reviews of an appropriate professional quality. | Recommendation implemented | Further need to discuss gender, advocacy and cooperation with broader civil society |
| 7 | Re Advocacy: It is recommended that the LO/FTF Council ensure that objectives and indicators for advocacy and lobby are better integrated in project design and subsequently pursued in monitoring and evaluation of outcome and impact. | Recommendation implemented | Further need to develop framework for advocacy |
| 8 | Re Project Cycle Management: It is recommended that the LO/FTF Council continue its efforts to systematise approaches to project planning by developing methodological guidelines, formats and checklists for the major stages and elements in the project cycle. Formats for appraisals, progress reports, reviews and evaluations are most urgently needed. Approaches to the two core focus areas capacity- building and training should be strengthened by developing organisational assessment tools and a training management manual. | Requiring further attention | Found to be adequate |
| 9 | Re Professional Capacity: It is recommended that the LO/FTF Council take action to establish a closer network relationship to key specialists within its primary focus areas, including education and capacity-development. Further, the LO/FTF Council should take action to expand its recruitment base by offering training in international development for potential candidates and establish a system of trainees for young trade unionists. | Recommendation implemented | Further development of thematic methods and tools and technical staff capacities reflecting organisational outputs needed |

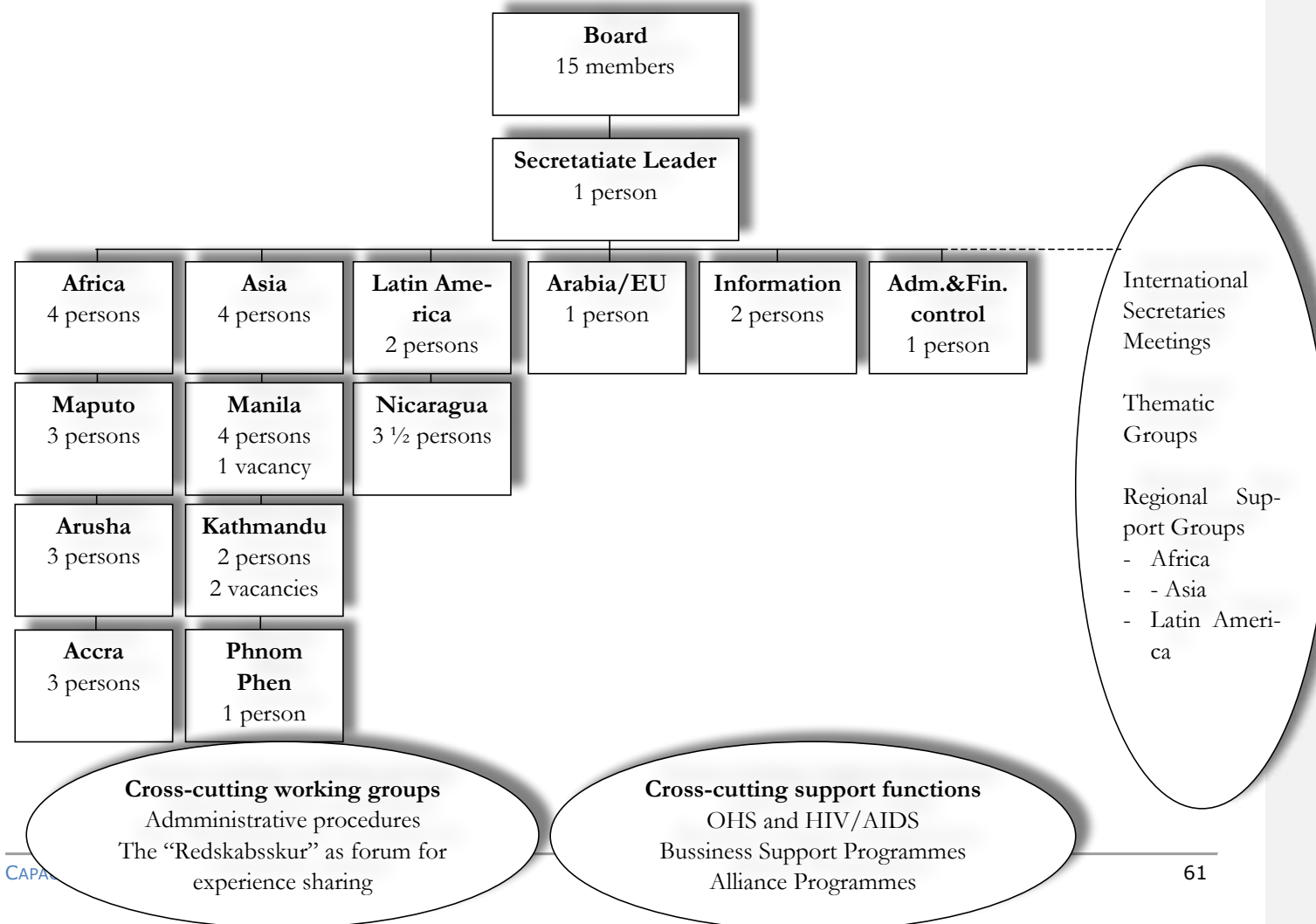
8.4 Annex D: Visualisation of ROACH approach



Application of the six main steps of the ROACH Approach:

1. Identify the Vantage point for assessment
 - *Capacity of the LO/FTF Council to coordinate and administrate a portfolio of three regional programmes*
2. Focus on the Outputs
 - *Reflected in chapter 2 of report*
3. Analyse the external context
 - *Reflected in chapter 3 of report*
4. Analyse inputs and resources
 - *Reflected in chapter 4 of report*
5. Dig into the black box of the organisation
 - *Reflected in chapter 5 of report*
6. Prepare overall assessment and conclusions
 - *Reflected in chapter 6 of report*

8.5 Annex E: LO/FTF Council Organisational Structure



8.6 Annex F: 2006-07 budget for LO/FTF Council information activities

| 2006 | Total | Program/pro- | Egen- | Andre | % af |
|-------------------|------------------|------------------|------------------|----------------|--------|
| | | jektoplysning | finansiering | donorer | budget |
| | | | (inkl. forbund) | | |
| Web | 187,675 | 184,649 | 3,026 | 0 | 3.52% |
| Film | 477,608 | 477,608 | 0 | 0 | 8.96% |
| Årsrapport | 19,988 | 0 | 19,988 | 0 | 0.37% |
| Magasinet | 352,422 | 304,822 | 47,600 | 0 | 6.61% |
| Netværk | 989,758 | 0 | 989,758 | 0 | 18.57% |
| Nyhedsbreve | 0 | 0 | 0 | 0 | 0.00% |
| Fokus Sydasi | 3,302,906 | 673,253 | 2,503,950 | 125,703 | 61.96% |
| 2006 i alt | 5,330,357 | 1,640,332 | 3,564,322 | 125,703 | |
| | 100% | 31% | 67% | 2% | |

| 2007 | Total | Program/pro- | Egen- | Andre | % af |
|-------------------|------------------|------------------|------------------|----------------|--------|
| | | jektoplysning | finansiering | donorer | budget |
| | | | (inkl. forbund) | | |
| Web | 111,829 | 86,338 | 25,491 | 0 | 2.04% |
| Film | 280,110 | 255,110 | 25,000 | 0 | 5.11% |
| Årsrapport | 29,566 | 0 | 29,566 | 0 | 0.54% |
| Magasinet | 183,394 | 182,221 | 1,173 | 0 | 3.35% |
| Netværk | 899,809 | 0 | 899,809 | 0 | 16.43% |
| Nyhedsbreve | 0 | 0 | 0 | 0 | 0.00% |
| Fokus Østafrika | 3,971,876 | 692,495 | 3,089,510 | 189,871 | 72.52% |
| 2007 i alt | 5,476,584 | 1,216,164 | 4,070,549 | 189,871 | |
| | 100% | 22% | 74% | 3% | |