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Systems-Based Audit of the LO-TCO Secretariat

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Table of Content

Acronyms and Abbreviations	7
1. Executive Summary	9
1.1 Introduction.....	9
1.2 Observations and analysis	9
1.3 Overall conclusions.....	12
1.4 Recommendations	12
2. Introduction	15
2.1 Background.....	15
2.2 Purpose and scope of this systems-based audit	18
2.3 The Audit team	18
2.4 Methodology	18
2.5 Studies of Swedish trade unions	19
2.6 Visits to GUFs	19
2.7 Field studies in Kenya and Tanzania	19
2.8 This report and how to read it	20
3. Organizational structure	21
3.1 Vision, mission statement, goals and policies	21
3.2 Mandate and role of the governing board vis-à-vis the office and the international trade union structure	24
3.3 Decision-making mandate and delegation procedures through the whole organization chain	29
3.4 Results-based management	32
4. Management of operations	35
4.1 Formulation of goals	35
4.2 Criteria and procedures for selection, assessment and follow-up of projects and programmes	36
4.3 Involvement and ownership of partners and target groups in planning, monitoring and evaluation of projects or programmes.....	42
4.4 Systems for planning, monitoring, evaluation and measuring of results	44
4.5 Reporting systems	46
4.6 Systems for risk assessment and risk management.....	49
4.7 Exit strategies with regard to sustainability of partner organizations as well as to projects and programmes	50
5. Financial management and control	52
5.1 Financial reporting system.....	52
5.2 Authorizations	53
5.3 Transfers of funds and bank and cash holdings.....	55
5.4 Budgeting processes	57
5.5 Audits in all parts of the organization, quality of audit certificates	57
5.6 Project management systems and chart of accounts	59
5.7 Promotion of good administration, transparency in the administration of funds, and counteraction of corruption	60

5.8	Compliance with Agreements	62
5.9	Systems and routines for procurement.....	67
6	Aid effectiveness	68
6.1	Observations and analysis.....	68
6.2	Conclusions and recommendations	69
Annex 1 Terms of Reference.....		70
Annex 2. Validation Matrix LO-TCO Secretariat		75
Annex 3. Persons Interviewed and Consulted		82
Annex 4. Documentation of Materials Reviewed and Cited		85
Annex5. Management Response on the Evaluation 2008		97
Annex 6. Brief presentations of the visited GUFs, Swedish trade unions and local projects and programmes and Partner organizations		109

Acronyms and Abbreviations

BWI	Building Workers International
CD	Capacity Development
CSO	Civil Society Organization
GUF	Global Union Federation
ILO	International Labour Organization
ICEM	The International Federation of Chemical, Energy, Mine and General Workers Unions
IMF	The International Metalworkers' Federation
ITF	International Transport Workers' Federation
ITGLWF	International Textile, Garment, and Leather Workers' Federation
ITUC	International Trade Union Confederation
LFA	Logical Framework Approach
LO	Swedish Trade Union Confederation (Landsorganisationen)
LO-TCO Secretariat	The LO-TCO Secretariat of International Trade Union Development Cooperation
NGO	Non-Governmental Organization
OD	Organizational Development
PGD	Policy for Global Development
PSI	Public Services International
RBM	Results-based management
Sida	Swedish International Development Cooperation Agency
SMART	Specific, Measurable, Attainable, Realistic, Timely
SSO	Solidarity Support Organizations
ST	The Union of Civil Servants
TCO	Swedish Confederation of Professional Employees (Tjänstemännens Centralorganisation)
TUOD	Trade union organizational development
TUSSO	Trade Union Solidarity Support Organizations
UNI	Union Network International
ZATU	Zanzibar Teachers' Union

1. Executive Summary

1.1 Introduction

The LO-TCO Secretariat is a joint, non-profit LO-TCO entity created for the purpose of promoting international trade union development co-operation¹. The LO-TCO Secretariat does not carry out any development projects/programmes itself; however, the LO-TCO Secretariat has overall responsibility for the quality of the work, and also functions as a service organization for its co-operating partners.

The LO-TCO Secretariat assists LO, TCO and their affiliated organizations in their efforts to support the development of independent, democratic trade unions throughout the world. The LO-TCO Secretariat is supporting more than 200 projects and programmes in some 70 countries.

The responsible organization in the projects and programmes funded by the LO-TCO Secretariat are always the LO, the TCO or one or more of their affiliates. The co-operating organization is the organization or organizations in Africa, Asia, Latin America or Central and Eastern Europe together with which the project or programme is being carried out. Often, the work is done together with the International Trade Union Confederation (ITUC) or one of the Global Union Federations (GUF). The ITUC/GUF² cannot be the stand-alone responsible organization, however.

The projects and programmes are financed by allocations from Sida and contributions from LO, TCO and their affiliates. To enable Sida to follow up whether the frame organizations are able to fulfil their contractual obligations vis-à-vis Sida, Sida has decided to make regular systems-based audits of the organizations with which Sida has framework agreements on grants from the appropriation for CSOs. Thus, Sida has commissioned the Swedish management consultancy company Professional Management AB to carry out a systems-based audit of the LO-TCO Secretariat. The assignment period was June to early August 2009. The Audit Team is grateful for the support from key persons at Sida, the LO-TCO Secretariat, GUFs, Swedish trade unions and trade unions in Kenya and Tanzania that made it possible to carry out the systems-based audit in this period of time.

1.2 Observations and analysis

The Audit Team has analyzed relevant documentation at the LO-TCO Secretariat and Sida, GUFs, Swedish trade unions and their partners in the field. The Team has conducted interviews with staff at Sida, representatives of the LO-TCO Secretariat's Board, the staff and LO-TCO Secretariat's auditor. The Team has carried out visits to three GUFs, three Swedish trade unions and also field visits to Kenya and Tanzania

¹ The association's official name is LO-TCO Biståndsnämnd (LO-TCO Secretariat for International Trade Union Development Co-operation).

² In this report ITUC is included in the GUFs

to study the whole organizational chain. In addition the Team has conducted interviews with representatives of an additional sample of five Swedish trade unions.

The Audit Team has taken the Evaluation 2008 and Systems-based audit 2001 as points of departure and notes that:

- Most of the 107 recommendations in the Systems-based audit 2001³ have been implemented as stated in the action plan.
- The LO-TCO Secretariat has in the Management response stated that most of the 22 recommendations in the Evaluation report⁴ are relevant and has specified actions to be taken continuously during 2009 and/or later. Most of the recommendations are dealing with management systems that also are within the scope for this system-based audit. Thus, the Audit Team has in these cases avoided repeating the analysis and instead focused on what remains to be done by the LO-TCO Secretariat.

In summary, the Audit Team's observations and analyses are in brief the following using the structure of the Audit questions per ToR:

Vision, mission statement, goals and policies: The LO-TCO Secretariat's mission (called vision) is clear and comprehensive. Actions are already taken to further develop the governing policies; among other things the goals in the Statutes have been reviewed and the process on reviewing the Operational policy is ongoing.

Mandate and role of the governing board vis-à-vis office (professionals) and the international trade union structure: The LO-TCO Secretariat's task is to transfer allocations, supervise project quality and finances and assist by providing services and expertise to unions in Sweden and abroad. Thus, the role is complex including supervision and control as well as services. It is a well-known fact that it is extremely difficult to integrate these roles in the same organizational entity. In view of the complexity of the task the LO-TCO Secretariat has achieved a reasonable balance between supervision and the service role. However, the LO-TCO Secretariat's Board's strategic role should be emphasized.

Mandate and delegation procedures through the whole organization chain: Despite the many intermediate levels in the international trade union development co-operation the organization chain is functioning well.

Results-based management: The LO-TCO Secretariat is aware of the need to further develop results-based management in the whole organizational chain and a lot of efforts have been made in order to improve methods and tools.

Criteria and procedures for selection, assessment and follow-up of projects and programmes: The criteria are very broad, thus, making it difficult for the LO-TCO Secretariat's Board to decide on priorities. A format for assessment memos has recently been discussed by the Board.

3 Systemrevision av LO-TCO Biståndsnämnd (ÅF- Swedish Management Group, 2001-05-22)

4 Global trade union building in defence of workers' rights: Evaluation of Sida's support to the LO-TCO Secretariat of international trade union development cooperation, Final report, November 3, 2008, Frank Runchel, Agneta Gunnarsson, Jocke Nyberg, Context, INKA Consult, HN Consultants

Ownership: Most initiatives to projects and programmes are being taken on the local and regional levels. The involvement and ownership of partners in planning, monitoring and evaluation of projects and programmes is functioning quite well.

Monitoring and evaluation: The LO-TCO Secretariat's Board 2006 adopted evaluation guidelines that have been implemented to some degree at all levels. However, it will take a few years before all projects have been evaluated in accordance with the stated standards.

Reporting systems: The agreements at all levels contain clear rules for reporting. The reporting through the whole organizational chain is correct. However, reporting is very much activity-based with limited analysis of outcome and impact.

Risk assessment and risk management: Comprehensive risk assessments are rare to find. Local partners are often better informed on risks and consequences than GUFs and Swedish unions.

Exit strategies: Exit strategies are missing at all levels. For the development projects in the portfolio 2008, the lengths of the projects were 6–10 years for 67 projects and more than 10 years for 45 projects.

Financial management and control: The systems for financial management including internal control are adequate and used in practice.

Audits: The Audits of the LO-TCO Secretariat are unqualified and the notes done by the auditors have been forwarded in the reporting to Sida. Audit certificates were missing for 62 projects 2007 and 63 projects 2008.

Compliance with agreements: The LO-TCO Secretariat meets Sida's terms and conditions with one exception namely the fulfilment of the requirements related to systematically evaluating results. The LO-TCO Secretariat's control system secures that the partners also comply with the regulations with a few exceptions as detailed in this report.

Aid effectiveness: It is a major strength that the LO-TCO Secretariat uses the established international trade union structures for the development co-operation instead of creating parallel structures. The Nordic-Dutch Guidelines should serve as models for how to build partnerships, improve and strengthen co-operation and simplify the necessary administrative tasks at all levels.

1.3 Overall conclusions

Aim of the systems-based audit	Results
– to examine the reliability and relevance of the systems for operational and financial control that exist in the LO-TCO Secretariat, and to assess to what extent that the systems are adhered to and implemented on all levels within the organization,	<p>1. The systems for operational and financial control at the LO-TCO Secretariat are relevant and reliable.</p> <p>2. The systems are adhered to and implemented on all levels within the organization. When internal systems are used by the GUFs and the Swedish trade unions these are meeting at least an equivalent standard.</p>
– to determine, on the basis of the examination, whether the documentation that is received by Sida under current agreements reflects the real situation, and can therefore be considered to function as reliable data for Sida in the assessment processes,	The documentation that is received by Sida under current agreements reflects the real situation, and can therefore be considered to function as reliable data for Sida in the assessment processes.
– to assess if the LO-TCO Secretariat meets Sida's terms and conditions, as well as assess if their control system secure that the partners also comply with these regulations,	<p>1. The LO-TCO Secretariat meets Sida's terms and conditions with one exception. Even if there are evaluations carried out the LO-TCO Secretariat is not systematically evaluating the aggregated results of its project portfolio.</p> <p>2. The LO-TCO Secretariat's control system secures that the partners also comply with these regulations with a few exceptions as detailed in this report.</p>
– to provide inputs to the LO-TCO Secretariat's processes of change and systems development.	The Audit Team has in the report provided the LO-TCO Secretariat with concrete recommendations on how to further develop the management systems.

The more detailed conclusions are summarized at the end of each section.

1.4 Recommendations

The recommendations are presented at the end of each section. The recommendations proposed herein are consistent with the major findings and conclusions presented above. The Audit Team has the following recommendations in order of priority:

A. Recommendations of highest priority

1. The work of the Board should be developed in a more strategic direction.
2. The existing mission statement (called vision) should be supplemented by a long-term goal (vision) for the LO-TCO Secretariat established through a participatory process.
3. The already initiated work in the LO-TCO Secretariat on the methodology of RBM should be intensified and RBM implemented at all levels.
4. The division of responsibilities for priorities should be clarified at all levels.
5. The LO-TCO Secretariat should make an analysis of which

projects should be phased out after 2009 and during the next application period 2010–2012 respectively and ask for plans for the exit of these projects.

6. The LO-TCO Secretariat's systems for monitoring, evaluation and learning should be strengthened especially on outcome and impact.
7. The LO-TCO Secretariat's management systems including process charts, rules, policies and guidelines should be reviewed and updated and made available electronically for key staff at all levels.
8. The LO-TCO Secretariat should prioritize comprehensive programmes that clearly show an understanding of the importance of developing capacity at the system level, organizational level and individual level simultaneously.
9. The LO-TCO Secretariat ought to further develop its guidelines for the applications with a more explicit demand for risk assessments and information on risk management.

B. The other recommendations (in the same order as they appear in the report)

10. The LO-TCO Secretariat should review the structure of goals, policies and results indicators.
11. The Assembly should discuss the principles of representation of the owners in the Board.
12. The communication between the LO-TCO Secretariat and the GUFs concerning strategic issues should be intensified including how a programmatic approach and RBM can be developed in collaboration between the LO-TCO Secretariat, the Swedish trade unions and the GUFs.
13. The division of responsibilities and tasks of the office in relation to the Board should be reviewed and clarified.
14. The division of responsibilities between the Board and the Director should be specified in a document adopted by the Board after discussions between LO and TCO about the content of this document.
15. The role of the LO-TCO Secretariat in building capacity for development co-operation in Swedish trade unions that are not very active should be further discussed.
16. In order to implement a well functioning quality system at the LO-TCO Secretariat the Methods and quality assurance programme 2010–2012 should be further improved and given high priority.
17. In written documents and other communication it should be clear when reference is made to the LO-TCO Secretariat as an association, the Board of this association and/or the office of the LO-TCO Secretariat.
18. The LO-TCO Secretariat should make continuous reviews of the core processes in the whole organizational chain in order to minimize the transaction costs and risk of corrupt behaviour and improve the efficiency.
19. Based on the Vision the LO-TCO Secretariat should draft a set of results indicators to be used in programmes/projects supported by the LO-TCO Secretariat.
20. The LO-TCO Secretariat should clearly state that the goals for the supported projects and programmes should be SMART (Specific, Measurable, Attainable, Realistic and Timely) and related to the LO-TCO Secretariat's vision and goals.

21. The LO-TCO Secretariat should allocate adequate resources to carry out the substantive change processes as are necessary to fulfil the intensions in the new guide for applications 2010–2012 and the Methods and quality assurance programme 2010–2012.
22. The number of projects supported financially by the LO-TCO Secretariat should be reduced substantially. Grants to global and regional programmes should be increased proportionally in relation to grants being given to individual projects.
23. The LO-TCO Secretariat ought to take action to improve information from evaluation meetings in the GUFs.
24. The LO-TCO Secretariat should initiate a learning process together with the Swedish trade unions and GUFs on how to involve the primary target groups more actively in evaluation of outcomes and impact.
25. The LO-TCO Secretariat ought to initiate external evaluations to a larger extent. The evaluations should mainly focus on themes, regions, countries and working methods.
26. The LO-TCO Secretariat should in the application to Sida present a plan for its own evaluations of projects and programmes as well as a discription of evaluations that will be carried out at other levels.
27. The LO-TCO Secretariat should take initiative to improve the reporting of the projects/programmes with the purpose of having more integrated reports (activities and finances linked together) and reports which relates the results to the over-all goals of the LO-TCO Secretariat.
28. The analysis in the annual report to Sida on results achieved at outcome and impact level should be further improved.
29. The LO-TCO Secretariat ought to continue its efforts to coordinate formats and deadlines for all donor organizations involved in its projects and programmes.
30. The LO-TCO Secretariat should initiate that the applied rules of authority in GUFs and trade unions are documented.
31. The LO-TCO Secretariat should initiate a discussion on the possibility of transferring funds directly to the GUF regional level.
32. The LO-TCO Secretariat should continue its efforts to increase the compliance with the agreements with Sida.
33. The LO-TCO Secretariat should invite Sida to an open dialogue on how to calculate own contribution.
34. Intensified support should be given to actors to pool activities in programmes, both among “providers” and among “recipients”.

2. Introduction

2.1 Background

2.1.1 Sida's support through the NGO-appropriation

The goal with Sida's support to civil society in development co-operation is to promote the development of a vibrant and democratic civil society that improves the possibilities for poor people to improve their living conditions⁵. This objective also encompasses support to and through Swedish Civil Society Organizations (CSOs) via the appropriation for non-governmental organizations (NGO-appropriation). The government is currently elaborating on a revised policy for support to civil society.

A strategy for Sida's support to Swedish CSOs through the NGO-appropriation

2009–2013 is also to be decided upon by the government in the near future. This strategy will provide a more focused and comprehensive framework for the co-operation, not least regarding result based management. While the strategy is yet to be decided, it is foreseen that Sida will have to revise its guidelines for the appropriation during 2009.

Sida gives high priority to efficiency and quality assurance in its development co-operation. Within the framework of its responsibility to exercise controls, Sida has the assignment of following up that development co-operation funds are used efficiently for intended purposes, regardless of how the funds are channelled. Sida's basic approach in respect of ownership of contributions implies that its development co-operation partners are responsible for the implementation of contributions, and thus that partners also have the responsibility for exercising control of its operations.

To enable Sida to follow up whether the frame organizations are able to fulfil their contractual obligations vis-à-vis Sida, Sida has decided to make regular systems-based audits of the organizations with which Sida has framework agreements on grants from the appropriation for CSOs.

2.1.2 The LO-TCO Secretariat

The LO-TCO Secretariat of International Trade Union Development Cooperation (referred to in this systems-based audit as the LO-TCO Secretariat) aims to support the creation and development of independent, democratic trade unions throughout the world. The LO-TCO Secretariat was formed in 1976 and became a non-profit organization in 1989. The LO-TCO Secretariat is a joint association of the Swedish Trade Union Confederation (Landsorganisationen, LO) and the Swedish Confederation of Professional Employees (Tjänstemännens Centralorganisation, TCO), with their respective affiliated national trade unions, with a total of roughly 3 million members.

5 Policy for Sida's support to civil society in development cooperation, Sida, 2007

The LO-TCO Secretariat is financing projects in some 70 countries. Projects are financed by funding from Sida, EU funds and contributions from the Swedish trade union movement. For 2009, the Secretariat was granted a total of 121 552 055 SEK by Sida from the NGO appropriation and the appropriation for reform co-operation in Eastern Europe. The total number of projects is 217 (South 156, East 19 and Communication in Sweden 42)⁶.

The LO-TCO Secretariat aims at integrating development co-operation programmes and projects and communication projects in Sweden. The financial management systems and the management of operations are generally the same for all interventions financed by the LO-TCO Secretariat. However, in a few areas there are some differences between how development co-operation programmes and projects and communication projects in Sweden are managed by the LO-TCO Secretariat. In these cases the differences are mentioned in the report. This applies to sub-section 4.2 on criteria and procedures for selection, assessment and follow-up of projects and programmes and sub-section 4.4 on systems for planning, monitoring, evaluation and measuring of results.

2.1.3 International co-operation

Member unions of LO or TCO apply for project funds for international trade union projects. The LO-TCO Secretariat does not carry out any development projects/programmes, but the LO-TCO Secretariat has overall responsibility for the quality of the projects/programmes, and also functions as a service organization for its co-operating partners.

The international development co-operation is organised within the framework of the International Trade Union Confederation (ITUC)⁷ and its associated Global Union Federations (GUFs). LO and TCO are members of ITUC.

International unions, GUFs, apply through their Swedish partners. When a GUF co-operates with more than one Swedish partner, one of these is responsible for the application. The LO-TCO Secretariat is working with 38 Swedish Trade unions and 13 GUFs.

The GUFs support weak unions throughout the world and help them to become stronger. They assist union members subjected to persecution and fight to wrest global agreements from multinational companies that is stated as a crucial factor in achieving acceptable working conditions. They are also actively engaged in international institutions like the World Bank, the International Monetary Fund, the World Trade Organization, the United Nations and its specialized agencies, especially the International Labour Organization (ILO) with its tripartite structure and mandate to set international social standards.

2.1.4 Follow-up of the systems-based audit 2001

A systems-based audit of the LO-TCO Secretariat was commissioned by Sida in 2001. The final report contained 107 recommendations⁸. Based on the report the LO-TCO Secretariat formulated a management response in the form of an action plan⁹. This action plan was fol-

6 LO-TCO Biståndsnämnd: Anslagsframställan 2009

7 Formed in 2006 by the ICFTU (International Confederation of Free Trade Unions) and WCL.

8 Systemrevision av LO-TCO Biståndsnämnd (ÅF- Swedish Management Group, 2001-05-22)

9 LO-TCO Biståndsnämnd: Åtgärdsplan systemrevisionen, not dated

lowed up continuously internally at the LO-TCO Secretariat and in the dialogue with Sida at the annual meetings. The last follow-up report is dated 2003-03-31 (47 pages). According to the LO-TCO Secretariat the action plan has not been updated since then and the Audit Report 2001 is now outdated. In practice the report and the action plan are not deemed to be relevant any more since so many changes have taken place in the context of the work carried out by the LO-TCO Secretariat. However, the Audit Team has used the Audit report 2001 and the LO-TCO Secretariat's action plan as one of the points of departure for the analysis in this report. As is evident from the follow-up report 2003-03-31 most of the recommendations had been implemented. However, a few recommendations were rejected by the LO-TCO Secretariat or not implemented as stated in the action plan. These few issues have been studied as a basis for the analysis in the relevant sub-sections in this report.

2.1.5 Follow-up of the evaluation 2008

Sida commissioned an evaluation 2008 of the work funded through the LO-TCO Secretariat. The overall purpose of the evaluation was to assess if the LO-TCO Secretariat contributes to the goals of strengthening civil society and enabling poor people to improve their living conditions. The specific objectives of the evaluation were to evaluate the relevance, effectiveness and sustainability of the LO-TCO Secretariat's work¹⁰.

The final report contains 22 recommendations¹¹. The LO-TCO Secretariat has formulated a management response with a time table for actions based on the recommendations¹². The management response was presented to the Board 2009-01-23 and to Sida 2009-01-26¹³ (Annex 5). The LO-TCO Secretariat has stated that most of the 22 recommendations are relevant. Thus, actions to be taken are specified for all recommendations that are deemed relevant. In most cases these actions are to be taken continuously during 2009 and/or later. Thus, a final date for the implementation of the actions is only specified for one of the recommendations.

Most of the recommendations in the Evaluation report are dealing with management systems that also are within the scope for this systems-based audit. In some cases the Audit Team has made the same observations and come to the same conclusions as the Evaluation Team. The Audit Team has chosen to mention the Evaluation Team's recommendations in the relevant sub-sections and analyse the actions already taken if any. Thus, the Audit Team will in these cases avoid repeating the analysis already presented by the Evaluation Team and instead in its recommendations focus on what remains to be done by the LO-TCO Secretariat.

¹⁰ Sida: ToR, not dated

¹¹ Global trade union building in defence of workers' rights: Evaluation of Sida's support to the LO-TCO Secretariat of international trade union development cooperation, Final report, November 3, 2008, Frank Runchel, Agneta Gunnarsson, Jocke Nyberg, Context, INKA Consult, HN Consultants

¹² LO-TCO Secretariat: Åtgärdsplan, not dated (in Swedish only)

¹³ Biståndsnämndens "Management Response" till Context-utvärderingen: "Evaluation of Sida's support to the LO-TCO Secretariat of International Trade Union Development Cooperation", följebrev 2009-01-26 till åtgärdsplanen

2.2 Purpose and scope of this systems-based audit

The aim of the systems-based audit is presented in the Executive Summary sub-section 1.3. The systems-based audit should primarily focus on an analysis of the LO-TCO Secretariat's internal operational and financial management control systems in order to determine whether these can guarantee the quality and accuracy in the entire organizational chain. The audit shall further include an analysis of the organization's compliance with Sida's Agreements to determine whether the Sida funds have been used for intended purposes stipulated in the agreements etc. The Audit has covered two agreement periods, the current one included. The Terms of Reference (ToR) in full are attached as Annex 1.

2.3 The Audit team

Sida has commissioned the Swedish management consultancy company Professional Management AB to carry out the systems-based audit. The Audit Team consists of five senior consultants – Dr. Lennart Gustafsson, Dr. Sören Häggroth, Ms. Stina Waern, Ms. Lina Lenefors and Mr. Arne Svensson (team leader). Ms. Barbro Svensson has assisted the team.

2.4 Methodology

2.4.1 General approach

The ToR have provided a comprehensive set of areas to be studied where the Audit Team has documented current status and identified the observations regarding validity/importance, compliance and enforcement wherever appropriate. The Audit Team has applied a three-pronged approach in order to collect data for meeting the objectives. The validation matrix is attached at Annex 2.

2.4.2 Methodology

The systems-based audit was carried out during the period of June to August 2009. The Audit Team has:

1. Analyzed relevant documentation available at the LO-TCO Secretariat and Sida, Project Responsible Organizations and their partners in the field;
2. Conducted interviews with the LO-TCO Secretariat's President and Vice-President and a sample of the other members of LO-TCO Secretariat Board;
3. Conducted interviews with the LO-TCO Secretariat staff and the LO-TCO Secretariat's auditor;
4. Conducted interviews with staff at Sida;
5. Carried out visits to three Swedish trade unions as specified below in sub-section 2.5. The visits included mapping and documentation of the management and financial systems and interviews with relevant staff;
6. Carried out visits to three GUFs as specified below in sub-section 2.6. The visits included mapping and documentation of the management and financial systems and interviews with relevant staff;
7. Carried out field visits to Kenya and Tanzania to study the whole organizational chain. The visits included mapping and documentation of the management and financial systems and interviews with relevant staff and stakeholders;

8. Conducted interviews over the phone with representatives of an additional sample of five Swedish trade unions;
9. Assessed the management systems per ToR;
10. Provided recommendations on how to improve operational management and control at the LO-TCO Secretariat.

2.4.3 Reviewed documents and persons interviewed

A list of persons contacted and interviewed is attached (Annex 3). The list contains approximately 85 persons. The interviews were semi-structured. Based on the verification matrix a number of pre-defined questions for each target group were formulated. Departing from these rather broad questions follow-up questions were formulated individually dependent on the respondents' answers. These interviews offered an invaluable insight on the contributions made towards the fulfilment of the LO-TCO Secretariat's mission.

The Audit Team has studied all relevant documents that we have been provided with by Sida, the LO-TCO Secretariat, the GUFs, the Swedish trade unions and the organizations studied in the field. A list of documents reviewed is attached (Annex 4).

2.5 Studies of Swedish trade unions

The Audit Team has visited three Swedish trade unions to study the management systems they use as Project Responsible Organizations. The Team selected the two Swedish trade unions with the highest number of projects; Industrifacket Metall and Lärarförbundet, thus, selecting one trade union from LO and one from TCO. In addition, the Team has visited one Swedish Trade Union with a small number of projects; ST and carried out interviews over the phone with a random sample of five other Swedish trade unions; Kommunal, Pappers, Musikerförbundet, Handels and Byggnads. The visited unions are presented briefly in Appendix 6. The observations are an integrated part of each sub-section in chapter 3–6.

2.6 Visits to GUFs

The Audit Team has visited three GUFs; the International Trade Union Confederation (ITUC), the International Federation of Chemical, Energy, Mine and General Workers Unions (ICEM) and the International Metalworkers' Federation (IMF). The GUFs are presented briefly in Appendix 6. The observations are an integrated part of each sub-section in chapter 3–6.

2.7 Field studies in Kenya and Tanzania

In order to follow the entire organizational chain the Team has visited five projects/programmes in Kenya and Tanzania where LO, TCO, IF Metall and Lärarförbundet are the Project Responsible Organizations and ITUC, ICEM and IMF are the implementing organizations for four of them. Thus, the Audit Team has studied Programme 2060, project 50012, project 10055, project 10025 and project 10051 at all levels. The local Partner Organizations and the programmes/projects are presented briefly in Appendix 6. The observations are an integrated part of each sub-section in chapter 3–6.

2.8 This report and how to read it

The findings are presented in a Draft Report that was submitted to Sida and the LO-TCO Secretariat on the 10th of August 2009. After the receipt of comments from Sida and the LO-TCO Secretariat, a Final Report has been submitted to Sida on the 27th of August 2009. The conclusions and recommendations have been discussed with Sida on the 13th of August 2009 and the LO-TCO Secretariat on the 12th of August 2009.

This Report is divided into six sections as follows:

- The Executive Summary in section ONE contains the overall conclusions and the recommendations.
- Section TWO is introductory.
- Section THREE focuses on the organizational structure.
- Section FOUR is concerned with the management and control of activities.
- Section FIVE reviews the financial management systems and internal control.
- Section SIX analyses aid effectiveness.

The various sections of the report answer the audit questions pertinent to the overall purpose of the systems-based audit and the elements stipulated therein.

The Audit Team begins each sub-section by describing the system that is in place at the LO-TCO Secretariat. When the Audit Team has observed significant differences between this system and the management systems in the studied GUFs and Swedish trade unions the findings are detailed in the relevant sub-sections.

At the end of each section the Audit Team has summarized the conclusions. Based on the conclusions the Audit Team has finally submitted concrete recommendations in each sub-section. These recommendations are summarized and prioritized in the Executive Summary.

3. Organizational structure

This section is concerned with the audit questions under the heading in the ToR on organizational structure.

3.1 Vision, mission statement, goals and policies

3.1.1 Observations

The LO-TCO Secretariat is a joint, non-profit LO- TCO entity created for the purpose of promoting international trade union development co-operation. The association assists LO, TCO and their affiliated organizations in their efforts to support the development of independent, democratic trade unions throughout the world.

The LO-TCO Secretariat's application to Sida contains a sub-section on "our vision" that is referring to the core values of trade unions and also reflected in the Statutes. According to this formulation the LO-TCO Secretariat is dedicated to promoting a more equal distribution of power and resources to eradicate poverty in the world, to fostering equality and welfare and to strengthening democracy. The aim is to achieve this by supporting the creation and development of independent, democratic trade unions throughout the world. The promotion of human rights is stated as a point of departure for all work carried out. The LO-TCO Secretariat believes that strong unions are vital agents in bringing about change in all countries. Where people are union members, demand their rights and reasonable working conditions, existing power structures and society as a whole can be changed. Collective agreements are stated as one of the best mechanisms for combating poverty, and the struggle to negotiate and defend collective agreements is a permanent feature of trade union work¹⁴.

Another sub-section in the application to Sida contains a discussion on the long-term goals. The long-term goals focus on changes in the division of power leading to a more fair and democratic labour market. The goals for programmes and projects are guided by this kind of long-term goals for the development of civil society. Poverty, gender, democratic development and environmental sustainability are discussed more in detail in separate sub-sections in the application.

The overall objectives of the international trade union development co-operation include support for the UN Declaration on Human Rights, ILO's basic conventions on human rights in working life, UN Millennium Goals, abolishing poverty, hunger, and social and economic inequality and promoting democracy, human rights, gender equality, sustainable development and global security and social dialogue. International trade union co-operation seeks to achieve these aims by supporting the development of strong, democratic and politically and

¹⁴ LO-TCO Biståndsnämnd: Anslagsframställan 2009

financially independent trade unions and organizations that represent and defend the rights and interest of working women and men.

The LO-TCO Secretariat has an Operational Policy (“verksamhet-spolicy”) adopted 2005 that elaborates on the core values and guiding principles, methods and criteria for what elements projects/programmes must include to get financial support. The LO-TCO Secretariat has also developed the following guidelines and methodological tools for thematic analyses for project planning purposes: Internal and External Environment, Gender analysis, Conflict analysis, Environmental impact assessments; and HIV/Aids. The Operational Policy replaced the Gender Equality Policy that was adopted 2002 and is still referred to in some projects.

The Swedish trade unions have programmes of their own for the international activities. These programmes include sections on development co-operation. The programmes contain objectives in rather general terms that are not LFA based.

The Nordic trade union organizations and FNV (the Netherlands) have agreed upon joint guidelines to facilitate international co-operation and communication between partners. The Nordic-Dutch Guidelines are supplemented by the Handbook of Participatory Project Planning part I and II, a format for the auditor’s report on the financial statements and a project application form. It is stated that they should be regarded as useful tools, not as absolute requirements. The Guidelines are available in English, Spanish, French, Russian and the Nordic languages. The Guidelines state that equality between women and men is one of the basic principles of trade unions and is inseparable from democracy, justice and human rights.

3.1.2 Analysis

The overall goal for the Policy for Global Development (PGD) is to contribute to a fair global development. According to the policy, all development co-operations shall be characterised by a rights perspective and the perspectives of the poor. The overall goal of Swedish development co-operation is to contribute to making it possible for poor people to improve their living conditions. The LO-TCO Secretariat’s application to Sida for 2007–2008 and 2009 respectively makes no reference to Sida’s policy on support to civil society with the goal to promote the development of a vibrant and democratic civil society that improves the possibilities for poor people to improve their living conditions.

The Audit Team has noted that the Evaluation team has recommended the LO-TCO Secretariat and its partners to *“develop a more focused approach and a broader, informed discussion -political, technical and organisational – about how support to trade unions in different sectors contributes to improvements for poor people, directly and indirectly, related to the different dimensions of the poverty concept etc.”* As actions are already taken (see the management response in Annex 5) the Audit Team will not go more into details in this issue.

The Audit Team’s analysis indicates that the formulations in the LO-TCO Secretariat’s *“vision”* as referred to above have the character of a *“mission statement”*. A mission statement normally describes why the organization is needed and the added value of the organization’s services. Thus, the mission statement may be the same for decades. A *“vision”* is normally understood as a long term goal by which the

organization clearly states the situation for the target group or in the targeted area for example five or ten years from now. Thus, the vision clarifies how the situation for the target group has been improved during this period of time and thus defines the intended results. Since the existing “vision” does not provide the LO-TCO Secretariat with a long term goal it will never be possible to state to what extent the vision is reached even if the results are measurable. Thus, it will never be possible for the staff and other stakeholders to feel the satisfaction of knowing that *“now we have reached the vision that was formulated (five) years ago”*.

Over the years the mission has been enlarged with new goals like for instance the goal to prevent HIV/Aids. It is quite natural that new goals are taken on board in an organization with a rapidly changing environment, and the inclusion of new goals has also been influenced by Sida’s priorities. On the other hand, inclusion of new goals raises the question of how different goals should be weighted against each other. In the interviews representatives of the trade unions have expressed concern about the need to focus on the primary goal of strengthening the trade unions in the developing countries and giving lower priority to other goals. The Operational policy is under review and the Audit Team has been informed that these issues will be dealt in this process.

The transformation of a vision into “SMART” (Specific, Measurable, Attainable, Realistic, and Timely) goals, results indicators and programmes is an important task. The Audit Team has studied the LO-TCO Secretariat’s preparations of the applications 2007–2008 and 2009 in order to assess how this process functions in reality. The Team’s assessment is that there is a need for substantial improvements in the way the vision is being translated to operative goals and actions. For example: In the section of Labour Law in the application there are five so called programme goals and eight so called partial goals. It is not explained how these goals are related to each other and complicated to figure out if they are linked in a results chain. How these goals will be implemented is described in only a few words and the description covers a small part of the goals that will be attained to in this area of activity. This is only one example out of many similar examples.

On the other hand, there are also good examples of how the vision has been translated into goals and actions. One example is to be found in the gender-section of the application. It is obvious that there is work going on within the LO-TCO Secretariat in order to improve the planning instruments. However, it is also clear that there is need for further work to be done in order to establish clear links between the mission statement, the vision, the goals and the practical level of development work.

3.1.3 Conclusions and recommendations

The mission of the LO-TCO Secretariat is in line with the PGD and the Millennium Goals. The Audit Team underlines the importance of an ongoing discussion on the weight that should be given to different goals. This is also a natural part of the dialogue between the LO-TCO Secretariat and Sida.

The existing “vision” for the LO-TCO Secretariat has the character of a “mission statement”. However, the Audit Team is of the opinion that this “mission statement” is relevant and deeply rooted among the actors. Thus, it should be kept as mission statement and it should be discussed

to establish a shared Institutional vision for the LO-TCO Secretariat in addition to this mission statement. Thus, the LO-TCO Secretariat should carry out an Institutional Visioning Process in order to establish a shared vision.

The Board of the LO-TCO Secretariat should decide on what results on outcome and impact level that should be achieved over a certain number of years. This should be based on among others a discussion on what kind of results that should be focused, which target groups that should be prioritized, how to prioritize between regions, when is bilateral support more efficient than multilateral, the balance in support to the various GUFs, the added value of the commitment of each of the Swedish trade unions and so on.

The Nordic-Dutch Guidelines should serve as models for how to build partnerships, improve and strengthen co-operation and simplify the necessary administrative tasks at all levels.

The Audit Team recommends that

- The existing mission statement (called vision) should be supplemented by a long-term goal (vision) for the LO-TCO Secretariat established through a participatory process.
- The LO-TCO Secretariat should review the structure of goals, policies and results indicators.

3.2 Mandate and role of the governing board vis-à-vis the office and the international trade union structure

3.2.1 Observations and analysis

3.2.1.1 The role of the LO-TCO Secretariat in relation to the international trade union structure

LO, TCO and Swedish trade unions can apply for project funds for multilateral trade union projects and programmes. GUFs apply through their Swedish partners. When a GUF co-operates with more than one Swedish partner, one of these is responsible for the application. At field level, national affiliates are usually responsible for implementation. In the case of bilateral projects there is a field organization defined that implements the project.

The studied Swedish trade unions are actively participating in the international trade union family in international affairs, both on Board level and staff level. They have representatives in many governing bodies.

The structure of the Swedish labour force is significantly different from the one in developing countries. Thus, the structure of the Swedish trade union movement does not respond to the most urgent needs of informal workers and migrant workers. Even if each project and programme is meeting certain demands and, thus, is truly demand-driven as noted in sub-section 4.3, it could be stated that the composition of the project portfolio as a whole is more supply-driven than demand-driven when it comes to the degree of involvement of different parts of the movement where some trade unions for historical reasons have been more active than others.

3.2.1.2 The LO-TCO Secretariat's mandate

The LO-TCO Secretariat has a twofold mandate:¹⁵

- To supervise and co-ordinate projects and provide quality assurance through follow-up, training courses, evaluations, etc.
- To serve and support partner organizations, mainly the Swedish trade unions but also to some extent the GUFs with issues relating to the development co-operation.

The LO-TCO Secretariat's task is to transfer allocations, supervise project quality and finances and assist by providing services and expertise to unions in Sweden and abroad. There is an ongoing discussion on the applications shortcomings from the application date to the decision. However, it is the Swedish trade unions that are responsible for the quality of the application that is submitted to the LO-TCO Secretariat. The priorities among projects have already been done within each GUF and Swedish trade union when the LO-TCO Secretariat receives the application. The mandate and role of the LO-TCO Secretariat is rather to secure the quality of project applications relating to relevance, feasibility, sustainability, cost effectiveness etc.

3.2.1.3 Statutory organs

The LO-TCO Secretariat consists of the following organs:¹⁶ The Assembly, the Governing Board and the Advisory Council. In the statutes it is stated that *"A special secretariat has been created for operational activities"*. The Statutes also state that *"the Board may decide on a specific order of work for delegation and distribution of work between the Board and the Secretariat"*.

This translation of "kansliet" into "Secretariat" has caused confusion in written documents as well as in discussions. Sometimes it is not clear if "Secretariat" refers to the LO-TCO Secretariat or the office of the LO-TCO Secretariat. Thus, the Audit Team has in this report chosen to use the word "office" when referring to "kansliet" (the staff).

3.2.1.4 The Assembly

The Assembly is the association's supreme decision-making body. The Assembly meets once a year, within six months after the end of the financial year. The members of the association appoint representatives to the Assembly, each with an equal number of votes. The Agenda for the Assembly includes the standard items. An extraordinary Assembly is convened when the Board or any of the two members of the association so decide.

3.2.1.5 The Governing Board

The association's activities are directed by the Board according to a fixed work order¹⁷. The Board consists of the president, vice-president, eight ordinary members and four substitutes. LO and TCO each appoint half of the ordinary members and substitutes. Board representatives should be appointed in accordance with the gender composition of the owner organizations. The Board includes a representative of the staff union. This representative does not have the right to vote.

¹⁵ Application to Sida 2007–2008

¹⁶ Statutes for the LO-TCO Secretariat for International Trade Union Development Co-operation. Adopted by the Assembly 19 December 1995. Revised by the Assembly 20 June 2001; 22 May 2002; 11 May 2005; 12 May 2009.

¹⁷ "Arbetsordning" adopted by the Board 1996-03-27 and revised 2002-03-21, 2002-04-24, 2005-05-11- and 2008-01-23

The Board is elected for a period of one year. The Board holds at least four meetings a year. The Board forms a quorum when at least half of its members are present. If voting is equal, the matter in question will be returned for reconsideration.

3.2.1.6 The Advisory Council

The Advisory Council is a body for co-ordination and exchange of experiences related to international trade union co-operation. The Advisory Council is made up of representatives of LO, TCO and their affiliated organizations as well as members of the LO-TCO Secretariat's Board. The Advisory Council meets at least twice a year.

3.2.1.7 The Office of the LO-TCO Secretariat

The Board is assisted by an office which prepares the agenda to be considered and executes the Board's decisions. The Board may decide on a specific order of work for delegation and distribution of work between the Board and the office. The office is headed by a Director, who participates in Board meetings as submitter and secretary of the Board. The Director's work order is determined by the Board. Other types of work orders are established by the Director. The staff comprises 18 professionals. Staff from the office participates in Board meetings when called upon as submitters.

3.2.1.8 The role of the Board vis-à-vis the office

In the interviews with the Director of the LO-TCO Secretariat and the members of the Board no one has expressed the view that the mandates in the relation between the Board and the office are unclear. However members of the Board representing LO has made a written proposal concerning a working order for the Board and an instruction for the Director of the Secretariat. As far as the Audit Team has found out this document has not yet been formally approved by the Board. The representatives of TCO in the Board have some doubts about the need for this document and they have opinions on the content of the draft. The Board will discuss its role at a meeting in November 2009.

There is a common understanding among the members of the Board that the working methods of the Board have to be developed. The most important change needed is for the Board to be more strategic in its work. That means devoting less time to detailed matters like going through project applications in a very minute way. A more strategic work means discussing and setting goals, analysing the consequences of the results of evaluations of different programmes and projects, making priorities between regions and themes in the developing work and other issues of importance for the long-term development of the LO-TCO Secretariat's project portfolio. Not only the Board members themselves stress the need for a more proactive and strategic role for the Board. Also members of the staff and representatives of trade unions have expressed this need for a new orientation or focus. According to the interviews there is a need for external support to develop this new working method of the Board.

There are several reasons for a major shift in the way the Board is working. One reason is that the office today needs to have clear direction given by the Board. A second reason is that efficiency will increase by a wider delegation to the professionals. A third reason is that there are clear indications from the Swedish Government that there will be reductions of the development grants and that will create need for mak-

ing difficult priorities and changes. These kinds of judgments can only be made by the Board and based on clear criteria.

One of the roles for the LO-TCO Secretariat is to provide quality assurance. According to some of the interviews an important reason for the detailed discussions and decisions in the Board is the absence of a quality system that could guarantee the quality of the work at the office. In order to improve the work on quality development and implement methods to secure the level of quality in projects and programmes, the Board has discussed the Methods and Quality Assurance Programme 2010–2012 to be a part of the application to Sida. Bearing in mind that the draft Methods and Quality Assurance Programme 2010–2012 to the Board that the Audit Team was provided with is not the final version the Team suggests that in the final version the document distinguishes between quality control, quality assurance and quality development. Secondly, it is not clear to what extent the suggestions aim at developing a comprehensive quality system and/or implementing an existing quality system or follow up (parts of) an existing quality system. It could also be useful to discuss the pros and cons by using established models like for example ISO, Total Quality Management (TQM) or Commitment Quality Management (CQM).

Some of the members of the Board believe that a new and more strategic role of the Board would be facilitated by decreasing the number of members of the Board. A reduction from ten to eight members has been mentioned in the interviews.

There is an on-going discussion within both LO and TCO about the composition of the Board. The main issue at stake is the balance between elected representatives and employed members of the Board. Out of the ten ordinary members of the Board four are elected representatives and six are employed by their home organizations. All substitutes are employed and working in their home organizations with international matters. The present situation where employed members may bring projects from their own home organization to the Board for decision and also take part in the decision on priorities may have a negative impact on the objectivity of the Board. On the other hand no one of the interviewed members of the Board has proposed that the Board should consist only of elected representatives of the owners LO and TCO. All interviewed members of the Board have expressed their view that every member of the Board, both elected and employed, should work for the best of the LO-TCO Secretariat as a whole.

Members of the Board suggest that the Boards of the owners (LO and TCO) should discuss the policies of the LO-TCO Secretariat more frequently in order to give better guidance for the work in the Board of the LO-TCO Secretariat.

The interviews show that there is a communication gap between the Board and its office. Since the Board today is so occupied with short-term and detailed matters it does not give attention enough to formulate guidelines needed for the work of its office. There is competence among the professionals in the office to deal with the details and also to produce proposals for strategic discussions in the Board. However, the Board is requested to be more specific in expressing what kind of material it needs in order to be more strategic in its work. According to the interviews there is need for external support to develop this new role for the office of the LO-TCO Secretariat.

3.2.2 Conclusions and recommendations

The Audit Team is of the opinion that it is a major strength that the LO-TCO Secretariat uses the established international trade union structures for the development co-operation instead of creating parallel structures. The use of established structures increases sustainability. The communication between the LO-TCO Secretariat and the GUFs concerning strategic issues should be intensified. An important part of this communication is how a programmatic approach and RBM can be developed in collaboration between the LO-TCO Secretariat, the Swedish trade unions and the GUFs.

The LO-TCO Secretariat's task is to transfer allocations, supervise project quality and finances and assist by providing services and expertise to unions in Sweden and abroad. The LO-TCO Secretariat is accountable both to the trade unions and the Swedish government/Sida. Thus, the role is complex including supervision and control as well as services. It is a well-known fact that it is difficult to integrate these roles in the same organizational entity. In view of the complexity of the task the LO-TCO Secretariat has achieved a reasonable balance between supervision and the service role.

However, among the Swedish trade unions there are still many that are not very active in the development co-operation. What is the role of the LO-TCO Secretariat in building capacity for development co-operation in these trade unions? This question should be further discussed.

The LO-TCO Secretariat's Board's strategic role should be emphasized. The work of the Board should be developed in a more strategic direction meaning that analysis of changing circumstances, evaluations of programmes and projects and goal-setting become more important ingredients on the agenda.

There is need for a working order for the Board and an instruction for the Director. The division of responsibilities and tasks of the office in relation to the Board should also be reviewed and clarified. A new role of the Board demands a new role of the staff in making different kinds of analyses, evaluations and strategic documents. In order to implement a well functioning quality system at the LO-TCO Secretariat the Methods and quality assurance programme 2010–2012 should be further improved and given high priority.

The more strategic role of the Board implies that it should have fewer members than today (not more than eight). Instead the Advisory council could be further developed as an arena for in-depth discussions among key stakeholders in the Swedish trade union movement. The Assembly (LO and TCO) should continue to discuss the principles of representation of the owners in the Board (the role, number of Board members, elected representatives and/or employed representatives and competence).

The Audit Team recommends that

- The work of the Board should be developed in a more strategic direction.
- The Assembly should discuss the principles of representation of the owners in the Board.
- The communication between the LO-TCO Secretariat and the GUFs concerning strategic issues should be intensified including how a programmatic approach and RBM can be developed in collaboration between the LO-TCO Secretariat, the Swedish trade unions and the GUFs.

- The division of responsibilities and tasks of the office in relation to the Board should be reviewed and clarified.
- The division of responsibilities between the Board and the Director should be specified in a document adopted by the Board after discussions between LO and TCO about the content of this document.
- The role of the LO-TCO Secretariat in building capacity for development co-operation in Swedish trade unions that are not very active should be further discussed.
- In order to implement a well functioning quality system at the LO-TCO Secretariat the Methods and quality assurance programme 2010–2012 should be further improved and given high priority.
- In written documents and other communication it should be clear when reference is made to the LO-TCO Secretariat as an association, the Board of this association and/or the office of the LO-TCO Secretariat.

3.3 Decision-making mandate and delegation procedures through the whole organization chain

3.3.1 Observations and analysis

The responsible organization in projects/programmes funded through the LO-TCO Secretariat is always the LO, the TCO or one or more of their affiliates. Often, the work is carried out together with the ITUC or a GUF. The ITUC /GUF cannot be the stand-alone responsible organization.

Before the application for a new project/programme is submitted from the applicant to the LO-TCO Secretariat there have normally been consultations on the relevance of the project/programme and the possibility for the LO-TCO Secretariat to prioritize it.

The final decision on the application to Sida is made by the Board. The Board rejects applications that are not in line with the long term goals for the LO-TCO Secretariat and its policies. This is the case if for example the application concerns isolated activities only that are not considered to be part of more long term processes that has the potential to give some kind of impact.

The division of responsibilities between the co-operating partners in a project is set out in a contract. The organizations signing this contract are responsible for the implementation and management of the project. By signing the contract, the organization is committed to implementing the project according to the approved plan and budget and to providing the funding organization with the necessary reports and audited financial statements.

The LO-TCO Secretariat is providing the funds according to the approved budget and monitors the project and provides technical assistance. The LO-TCO Secretariat is responsible for following the progress of implementation and assessing and evaluating the programmes/projects.

Within all the studied Swedish trade unions and GUFs development co-operation follow the same administrative systems and procedures as other issues within the organization. However, the Audit Team has not found these principles to have caused any major deviations from the policies that have been decided by the LO-TCO Secretariat.

Some of the representatives of the GUFs have expressed opinions

concerning the relations between the LO-TCO Secretariat, the Swedish trade unions and the GUFs in terms of the decision-making mandates. Their opinion was that the Swedish trade unions should play a more important role and that the role of the LO-TCO Secretariat should mainly be administrative. They believe that the Swedish trade unions have enough competence and capacity for carrying out development work without supervision of the LO-TCO Secretariat.

One example on views on the procedures through the whole organization chain: IMF has a four-year action programme for its activities in aid for development. Most initiatives to new projects arise in the regions. These initiatives are assessed in relation to the IMF Action Programme. IMF has a continuous dialogue with IF Metall about what projects should be implemented with support from Sida. Interviewees at the IMF Head Office argue that IMF should be given more time to prepare their application forms. The IMF representatives also state that the decisions concerning grants should be made faster to make it possible for IMF to know what resources they will have for the incoming year. Also the payments take too long according to IMF. The interviewees at IMF are satisfied with the present order whereby IMF through IF Metall is contract partner with the LO-TCO Secretariat. The main argument is that the risk of corruption would increase if the LO-TCO Secretariat would choose to sign contracts directly with the regional offices or the local project organizations.

It is hard to find any documentation on the experience of the present mandates and procedures. A study and workshop was conducted by Byggnadsarbetareförbundet (Partnership Workshop for the Trade Union Development Cooperation Chain, July 2006), where representatives from all actors in a certain development project discussed roles and responsibilities¹⁸. The following recommendations from the workshop are relevant for this Audit:

- *LO-TCO Secretariat is recommended to analyse how a memorandum of understanding could be formulated to complement the financial agreement following the money.*
- *LO-TCO Secretariat is recommended to design a program framework together with BWI (Building Workers International) and its Swedish affiliates to serve as a pilot program*
- *LO-TCO Secretariat is recommended to improve their tools and guidelines to facilitate quality improvements for their partners. At the same time LO-TCO Secretariat is recommended to consider how to operate their quality assuring assignment considering their role in the chain being distanced from the field.*
- *LO-TCO Secretariat, BWI and its Swedish affiliates are recommended to clarify how local ownership is improved*
- *All actors are recommended to create structures that enable mutual accountability in development cooperation. Sida is recommended to be lead agent in this work. A first step could be to highlight this issue in a separate study”.*

Some of the recommendations of the 2006 workshop have been implemented. For example, BWI has for the year 2009 made a programme application to the LO-TCO Secretariat and has had it approved. In addition, during the workshop it came up that the Swedish trade

¹⁸ Two similar workshops have been carried out recently: (1) the 25-26th of February 2009 on a project carried out by IFJ in Colombia and (2) in April 2009 on a project carried out by Vårdförbundet in Lesotho

unions and BWI were using non-written agreements; however, these are now being supplanted by written ones.

The description below on the delegation procedures is based on the procedure of ICEM, but the other GUFs have similar routines. All project co-ordinators (individuals coordinating a project in a country or a region – and therefore not based in the ICEM headquarters) sign annual contracts with the ICEM, which are prolonged if and when a project runs the following year. Attached to all contracts is a job description, as well as a reporting schedule, which provides information on dates and deadlines to be met within a project year. The job descriptions in the contracts are relatively short and are based on the language that can be found in the section “Institutional Framework” in the relevant approved (by the donor organization) application of the project, to which the project co-ordinators’ contracts make reference.

Before project co-ordinators are hired, the ICEM receives applications, through a series of channels, including via affiliates, but also via other international (trade union) organizations, or through local offices of donor organizations. Likely candidates (usually ones that come in recommended through organizations ICEM works with closely) are interviewed in person, preferably by the General Secretary of the ICEM, and/or by the ICEM Officer. Preferred applicants have, among other things, a trade union background (or good trade union knowledge), experience in organising (trade union) activities, good writing skills (in English or relevant language), and are not elected trade union officials. In addition, there are also a number of specific job-related requirements, depending on the job that is required from them (as specified in the project application). Where possible, the ICEM tends to work with younger and/or female co-ordinators. Currently, 7 out of 18 ICEM project co-ordinators are women, a number which is rising.

The project co-ordinators’ contracts, as all other main project documents, such as the project’s contracts themselves, are signed by the General Secretary of the ICEM. Project co-ordinators are usually, before a contract is signed, introduced to (and approved by) a few relevant regional/national key affiliates of the ICEM – as the coordinator will work closely with them.

All project applications (which, once approved, become the working documents for the projects, setting out issues such as the work plan, project priorities, objectives, expected results and indicators) list what is expected of the coordinator(s), in various areas of their work, including the day-to-day project work and the system of reporting.

All co-ordinators are required to report to the ICEM by forwarding project reports on a 3-monthly basis, as per the attached schedule. These reports are read and commented by the ICEM project officer and amended again by the project coordinator where useful or needed (often additional information is sought from the coordinator on specific details – partly to inform other ICEM staff on specific issues, sometimes in view of improving the impact assessment). A more final version of these reports is then distributed internally to all ICEM staff, to relevant other project co-ordinators and to other interested people, including possibly inside other donor organizations or inside other (international) trade union organizations.

Frequent contacts exist not only between the ICEM’s Project Officer, who is macro-managing all the ICEM’s projects, and the project co-

ordinators, but also between other members of the ICEM Headquarters staff (primarily those that are responsible for a particular region or industry, in particular the Latin American, Asia/Pacific and African regions) and the project co-ordinators. Whereas it is important that project co-ordinators mainly work on those issues described in their job description and in the project documents (and therefore spent the vast majority of their working time on these areas of work), co-ordinators are also well placed, because of their project expertise and local knowledge, to occasionally answer specific questions and be a part of an international solidarity chain that way.

3.3.2 Conclusions and recommendations

Although the organizational chain is very long with many different actors involved the Audit Team has not found any major disadvantages with the present model of co-operation between Sida and the trade unions in Sweden and abroad through the LO-TCO Secretariat. There are, however, as recommended in this report improvements to be made. Among others the LO-TCO Secretariat should continue to review the routines of delegation and the decision-making mandates through the whole organization chain in order to minimize the risk of corrupt behaviour.

The LO-TCO Secretariat should make continuous reviews of the core processes in the whole organizational chain in order to improve the efficiency of the co-operation. It is particularly important to analyse how much money is being used for administration in the different parts of the co-operation chain and how these transaction costs could be reduced.

The Audit Team recommends that

- The LO-TCO Secretariat should make continuous reviews of the core processes in the whole organizational chain in order to minimize the transaction costs and risk of corrupt behaviour and improve the efficiency.

3.4 Results-based management

The Audit question on Results-based management (RBM) in the ToR includes *“the use of the activity plan and results reports as guiding instruments”*.

3.4.1 Observations and analysis

The LO-TCO Secretariat is working to develop RBM. Two persons have been employed for the task of developing the methodology of the work of the LO-TCO Secretariat including RBM and quality assurance.

There is a general understanding among members of the Board, employed at the office and representatives of the Swedish trade unions and the GUFs that RBM has to be used to a larger extent than today. Result reports and evaluations of programmes/projects have not been used very much as guiding instruments. For example, the LO-TCO Secretariat's application to Sida for 2009 contains very few references to achieved results.

The Audit Team has among other things also studied the comprehensive annual report 2007–2008 that the LO-TCO Secretariat has submitted to Sida. The annual report contains sub-sections for each region on *“analysis of results and effects of the projects 2007–2008”*. However, these sub-sections do not provide adequate aggregated information on

the results in relation to the objectives. The annual report also contains sub-sections for each region on *“results and effects of finalized projects”*. These sub-sections contain a report for each project but no summary on aggregated results.

Applications and narrative reports show influence by LFA and other ideas originating in the thinking of RBM or earlier models as Management by Objectives, Management by Results and Performance Management. However, results indicators are often not stated in a way that makes it possible to find out if the objectives have been reached or not. The reporting is not distinguishing between different kinds of results in the results chain (output, outcome and impact).

In some cases reports do not follow up on results as stated in project documents (e.g. like result indicators). Also, the Audit Team has found cases where there are no links between stated objectives (and their results indicators) and reported results.

According to the interviews a problem is that the performance indicators of the LO-TCO Secretariat do not give direction enough for the reporting units on different levels of the organizational chain to make coherent reports about the progress of different programmes and projects. It is very difficult to aggregate information that comes from the operational levels. The information of performance becomes fragmentary and occasional.

In all the studied Swedish trade unions planning of the projects follow the Nordic-Dutch guidelines in principle. The applications studied by the Audit Team follow the models of results-based programming but seem to lack some of its components, often measurable results indicators.

In for example the agreement between Lärarförbundet and ZATU (Zanzibar Teachers' Union) it is clearly stated that the annual narrative report should be comprehensive analysing the achievements during the year compared to the measurable objectives and the indicators and give a picture of the progress of ZATU. Difficulties, shortcomings and comments on the outcome should be included in the report. A narrative report should also consist of the activities implemented during the period concerned with the number of male and female participants, the resource persons and the content other activities. Although there is an ambition within the Lärarförbundet to use RBM representatives of the Lärarförbundet are fully aware that more has to be done. The reports from ZATU follow the instructions given by the Lärarförbundet and are very comprehensive and evaluative; a major drawback, however, is that they mainly deal with activities, not the consequences of these activities for poor people and human rights. On the other hand the reports give a good picture of how the gender perspective has been taken care of.

According to many interviewees a major difficulty is that there are too many and too diffuse goals set up by the LO-TCO Secretariat. A simplified goal-structure would, according to the interviewed, make RBM easier to apply.

Also ST planning and reporting follow the established ideas of RBM as is evident in the long-term plan for 2009–2012, in the plan for 2009 and in the annual report for 2008. The plans for STs general operations include indicators for expected result. Result thinking is established within ST, judging from these documents. However, the

international development co-operation programmes are not explicitly mentioned in ST's plans and reports. ST works closely with PSI (Public Services International) that has an international programme with explicit, well-structured goals that covers the period 2008–2012. PSI has a vision statement and prioritized areas of work. However, the programme does not contain indicators. Also the other GUFs have implemented RBM to some extent; however, the work is still very much activity-oriented.

3.4.2 Conclusions and recommendations

The already initiated work in the LO-TCO Secretariat on the methodology of RBM should be intensified and result in a set of results indicators used in all programme/projects supported by the LO-TCO Secretariat. The quality of reports has to be improved on all levels. The information to Sida should be more results-oriented. The annual report to Sida should include an analysis of results achieved at outcome and impact levels.

The Audit Team recommends that

- The already initiated work in the LO-TCO Secretariat on the methodology of RBM should be intensified and RBM implemented at all levels.
- Based on the Vision the LO-TCO Secretariat should draft a set of results indicators to be used in programmes/projects supported by the LO-TCO Secretariat.

4. Management of operations

In the mapping of systems and routines for operational planning, monitoring and evaluation, the following systems have been documented as requested in the ToR, with regard to relevance and implementation all through the organization.

4.1 Formulation of goals

4.1.1 Observations and analysis

Subsection 3.1 dealt with vision, mission and goals within the LO-TCO Secretariat. The LO-TCO Secretariat's guide for applications 2010–2012 clearly states that all programmes should relate to priorities for development activities made by ITUC. It also states that the programmes should relate to the overall objectives of Swedish development co-operation established by the Swedish Parliament: *”To contribute to creating opportunities for underprivileged people to improve their living conditions.”*

The GUFs have planning models which structure goals in a logical way. The Audit Team has assessed the formulation of goals in the internal planning documents and the applications from the GUFs. These specify development objectives, project objectives, expected results, indicators, sources of verification and assumptions. However, on the operational level goals and means are seldom separated in the projects and programmes that have been studied by the Audit Team. Two examples from the field study:

- In the PanAf Programme (project 2060) seven project goals are set up. Of these goals only two can be said to be real goals and the remaining five are means to reach the goals. The use of study circles in this project is the most important activity to reach the goal of strengthening the trade unions, but in the project description the use of study circles is described as a goal in itself.
- In project 10025 (Tanzania) the goals of the project are only defined in terms of training for leaders in the trade union. There is no discussion whether or not this training will facilitate the implementation of the long-range goal of strengthening the trade unions in Tanzania.

However, there are also good examples of efforts to set up a structure of goals and means which can be followed to the operational level. Two examples from the field study:

- In project 10055 (Kenya) there are development objectives, project objectives and expected results formulated and it is quite easy to understand how the more general goals will be achieved by means of different activities. The expected results are at least in some respects quantified in a way that it is possible to follow up the outcome.
- The Zanzibar Teachers Union (ZATU), together with their Danish donors (DLF), intends to produce a strategic plan. An outline of this

strategic plan for 2008–2012 includes problem identification, overall objectives, strategic goals, activities, time frames, output indicators and detailed budgets for the respective years 2008–2012.

One consequence of substituting means for goals is that there is almost no discussion in the activity plans of alternative means to reach the goal to strengthen the trade union. Another consequence is that reporting of progress in terms of outcome and impact in relation to the development objectives is almost non-existing. The reporting is being made in relation to the planned activities, which mainly deal with training.

Goals for development co-operation are very much linked to what is decided in (1) the policies at the GUF level and (2) within the TCO and LO family. Opinions of the field are emphasized in selecting goals. The Swedish trade unions follow the Nordic-Dutch model in its proposals for the coming years, but not fully. The projects and programme proposal lack in most cases results indicators.

4.1.2 Conclusions and recommendations

The LO-TCO Secretariat should have goals for the development co-operation adopted by the Board. The Swedish trade unions and the GUFs should then formulate the programme/project applications within this framework.

The Audit Team has found that there is a lack of structure of goals and means in several of the projects studied in the field. The links between the overall objectives of Swedish development co-operation and the projects and programmes in the LO-TCO Secretariat's portfolio are sometimes difficult to trace. It is even more difficult to follow the link between the development objectives and the project objectives and the activities carried out locally in the projects and programmes.

Thus, the LO-TCO Secretariat should clearly state that the goals for the supported projects and programmes should be SMART and related to the LO-TCO Secretariat's vision and goals in order to make it more understandable for the Swedish unions, the GUFs and for the local partners what are the main focus areas for the co-operation between Sida and the trade unions at different levels.

The Audit Team recommends that

- The LO-TCO Secretariat should clearly state that the goals for the supported projects and programmes should be SMART (Specific, Measurable, Attainable, Realistic and Timely) and related to the LO-TCO Secretariat's vision and goals.

4.2 Criteria and procedures for selection, assessment and follow-up of projects and programmes

4.2.1 Observations

4.2.1.1 Procedures for applications and assessments

The LO-TCO Secretariat has produced in collaboration with Nordic and Dutch partners the Guidelines and Project Handbook on planning, follow-up and evaluation as mentioned earlier in the report. It includes a joint application form linked to part II of the Handbook as well as to the administrative procedures for a given project.

Proposals for multilateral projects are forwarded to the LO-TCO Secretariat via the GUFs and the Swedish trade unions. These organizations study the proposals and decide on the basis of the given criteria whether to recommend them to the LO-TCO Secretariat for funding. The field organization and the Swedish trade union deal directly with bilateral project proposals. Projects can also be co-financed by two or more funding organizations. The LO-TCO Secretariat will in all cases decide whether to give final approval after assessment of the application

For 2009 the Project Agreements for multilateral projects must consist of the following five parts to be complete:

- 1) Written approval of allocation of funds
- 2) Co-operation agreement
- 3) Appendix to co-operation agreement
- 4) General rules for implementation of projects in Africa, Asia, Latin America, the Caribbean and Eastern Europe and Central Asia 2009
- 5) Approved budget

In the latest application to Sida the LO-TCO Secretariat had clustered the projects into programmes under the ITUC priority areas. Eight categories have been designed to cover the different aspects of trade union organizational development (TUOD). One category is a general one and covers all types of OD projects¹⁹ that do not fit in one of the other OD categories.

According to the interviewees there has been some confusion on the meaning of the term Programme and how to decide on when a contribution should be regarded as a project or programme.

Sida defines a programme as *“a coherent part of the organisation’s operations that are directed towards a particular goal, has been formulated in a dialogue with the partner and that produces results that can be followed up. The programme’s limits are determined by its own particular logic. A natural limit can be a country, a district or a thematic area”*²⁰. Thus, a programme is not a cluster of non-related projects. This issue has been addressed in the LO-TCO Secretariat’s Guide for Project and Programme Application 2010–2012.

When applying for the period 2010–2012 the applicants should use the digital format for Programme Applications that is available at LO-TCO Secretariat’s website. The LO-TCO Secretariat has also developed a guide for Project and Programme Application 2010–2012. The Guide states that the following nine headings should always appear in the application:

1. Orientation and background
2. Context analysis and problem analysis
3. Analysis of objectives
4. Indicators of achievement of objectives 2010–2012
5. Strategies for achieving objectives 2010–2012
6. Target groups (primary and secondary)
7. Development analysis
8. Follow-up and evaluation
9. Budget

¹⁹ Classification of projects into thematic categories, not dated

²⁰ Sida: Guidelines for Grants from the Appropriation for NGO

A format for assessment memos has been adopted by the Board 2009-06-23. The Board will decide on criteria for how to prioritize between the projects and programmes at its next meeting 2009-09-08.

4.2.1.2 Criteria for selection

The Guidelines states that co-operation is primarily aimed at supporting trade union organizations in their own development. Where such organizations do not yet exist, project co-operation should be part of a process to promote the formation of such trade unions and to help them become democratic and independent. Support may also be given to organizations linked to trade unions, providing services like research, training and education or working closely with them on issues such as organising workers in the informal sector, fighting for the improvement of women's living and working conditions; it can also be provided to organizations that promote and defend trade union and human rights through labour law development.

Projects covering one or more regions may also be supported, as may projects for the creation of networks between countries and regions. Projects in a number of geographically-related countries (regional projects) or in more than one continent (global projects) may be coordinated to take advantage of the experience that already exists in participating countries.

The Guidelines state that the design of a project should contribute directly or indirectly to the development and strengthening of an independent, representative, self-reliant and democratic trade union movement. The project may focus on Capacity building, Institutional development, Organizational strengthening, Building trade union education structures, Development of shop stewardship, Organising membership, Promoting collective bargaining, Promoting health and safety at work, fighting HIV/AIDS, Building trade union women's structures and activities, Research on various political, economic and trade union issues, Information and campaign activities; and Monitoring social responsibility of multinational corporations.

According to the interviews some Board members are reluctant to prioritize areas of support. All applications that fulfil the formal requirements have been forwarded to Sida, regardless of the total sum. Some of the interviewees' state that it has always been taken for granted that the LO-TCO Secretariat will receive the requested grant. When Sida declares, that the total frame will be less than the amount asked for, the Board reactively take steps for adjustment. In practice, however, indicative frames should be possible to use for planning purpose, which means that the Board would have to take a more proactive role in planning.

Also, according to the interviews the role of the Board is a bit unclear for some of its members when it comes to the criteria for selection/priorities. At several occasions in the interviews it was stated that some of the members of the Board see themselves more as representatives of their home organization and related projects, rather than being responsible for the LO-TCO Secretariat.

4.2.1.3 Information and communication projects

The LO-TCO Secretariat's programme for supporting information and communication activities by the Swedish trade unions and supporting some other programmes, in all cases have Swedish society as its

target groups. The average number of applications is some 50 projects, depending on year. The total sum of contributions is around 20 million SEK per year. The two main arms are (1) support to trade unions and (2) support to networks of Swedish organisations, mainly Rättvisemärkt, Rena Kläder, Schyst resande and Internationella torget.

The Audit Team has assessed relevant documents concerning the programme for communication in Sweden provided by the LO-TCO Secretariat. The Team has found the general conditions for information projects which include the stipulations on reporting, evaluation and auditing to be adequate and followed in practice. The form for application for support is based on LFA structure. The form for results reporting is coordinated with the information asked for in the application form and which asks for both quantitative and qualitative information on results.

The Audit Team has studied applications for a sample of communication projects. The applications follow the form stipulated by the LO-TCO Secretariat. The applications for the networks follow the LFA format, including explicit indicators (in several cases quantitative) linked to each group of objectives and in relevant cases defined for each relevant target group. The applications all include risk analyses and sustainability analyses and in many cases comments on gender and environment aspects. The applications explicitly address cooperation with other organisations and observe the possibilities to coordinate information projects with projects in recipient countries, which are (partly) financed by the LO-TCO Secretariat.

4.2.2 Analysis

The Guidelines state that all programmes should integrate elements of labour rights. Trade union pluralism and workers' rights to set up trade unions of their own free choice are still denied in a number of countries, particularly in Asia (e.g. China, North Korea, Laos and Vietnam) and in the Middle East and the Gulf States (e.g. Iran, Iraq, Syria, Egypt, Jordan, Kuwait and Yemen). It is not clear how the LO-TCO Secretariat's choice of the present 70 countries for co-operation is related to this basic criterion for prioritising support.

In practice most of projects and programmes are concerned with organizational development of trade unions, recruitment of members, training (mainly through the study circle method), gender equality, HIV/Aids and social dialogue. However, experience up to date suggests that programmes on capacity development should cover three different levels: the system (the enabling environment), the organization and the individuals. Best practice clearly shows the importance of understanding the relationship between all three levels in assessing capacities and developing programmes/projects:

- *System level (Enabling environment)* – Organizations and people work within a broader system. The enabling environment includes policies, legislation, power relations, culture and social norms – also known as the “rules of the game.”
- *Organizational level* – This includes policies, procedures and frameworks that allow an organization to fulfil its mandate.
- *Individual level* – This refers to the skills, experience and knowledge of the people within an organization acquired through training and education, or through learning-by-doing.

Trade union rights are universally recognized human rights at work. The two key ILO Conventions 87 and 98 which define and guarantee them have been ratified by 148 and 158 Member States of the ILO, respectively, out of the total of 181 worldwide. They are also codified in a raft of national constitutions and legislation. And yet trade union rights are also subject to massive and often vicious violation. Evidently, ratification is not enough. It is not clear, however, how the LO-TCO Secretariat prioritizes support to activities on the system level.

The statutes of the LO-TCO Secretariat state that the projects should focus on organizational development of trade unions in a broad perspective. This is the case of the vast majority of the projects. The criteria of selection of projects and programmes by the LO-TCO Secretariat are described by the key words of relevance, efficiency, feasibility, sustainability, risk-evaluation and gender. In the interviews some members of the Board have expressed their view that the criteria for the selection of projects/programmes should be clarified. Also other representatives of Swedish trade unions, not being members of the Board, have expressed the same opinion.

For the period 2007–2008 the LO-TCO Secretariat received a total of 256 applications. In its application to Sida the LO-TCO Secretariat states that there is no instrument for prioritization in place. Thus the LO-TCO Secretariat applied for a grant of 123.4 MSEK for projects in developing countries 2007 and received 97.5 MSEK. For 2008 the requested amount was 119.5 MSEK and the amount received 102 MSEK. The need for clarifying criteria for selection became obvious also when the Board of the LO-TCO Secretariat discussed the application form for the Sida grant for the year of 2009. The demand for funding by far exceeded the grant for the year of 2008. Instead of presenting a more realistic application to Sida the Board proposed an increase of the grant by 14 percent. This proposal was also turned down by Sida.

According to the interviewees the formal framework has not always been followed regarding the application and follow-up process and exceptions have been made many times over the years. Even if the compliance with the rules have been increasing there are still stakeholders expecting exceptions from the rules. The interviewees have emphasized the importance of following the common rules strictly. According to some interviewees outside the Board it has happened that Board members have argued for exceptions for project proposals for their own organization.

There is an obvious risk that also the grants for the activities of the LO-TCO Secretariat might be affected by eventual reductions 2010–2012. If that would occur there is an even greater need for clear criteria for the prioritization of programmes and projects. In the interviews several members of the Board and others have stressed that the quality aspect should be given a more important role in the selection of projects/programmes.

The LO-TCO Secretariat gives grants to more than 200 projects. With so many projects – related to the total grants available – the selection process becomes rather complicated. The LO-TCO Secretariat also gives grants to programmes including several individual projects. That has already for several years been the case with the LO-TCO PanAf Programme. Several projects are co-ordinated by GUFs in global programmes. In the interviews both members of the Board and

others have expressed their support for the idea of giving relatively more financial support to global programmes. Supporting global programmes means that the priorities between regions, countries and projects to a greater degree are being made within the GUF structure.

The projects/programmes are followed-up through working visits, interim assessments and monitoring through reports and internal or external evaluations, in co-operation with the partners involved. The criteria for assessment and follow-up are constituted by the goals set up by the Board of the LO-TCO Secretariat. As the Audit Team has concluded in sub-section 4.1.1 the general goals set up are not completely consistent with the local project plans. Therefore the reporting of the results of the projects is mainly being done in relation to the activities planned. It is very hard to find even singular examples from reports produced at the local level where the consequences of different activities are related to the general goals of the LO-TCO Secretariat.

The criteria for selecting projects/programmes that have been used so far are very broad. New criteria will be used for the application 2010–2012. Choosing partners, countries and projects involves making “political” assessments and choices. The present project portfolio is mainly a result of each of the Swedish trade unions historical engagement in development co-operation. The fact that IF Metall and Lärarförbundet have more projects than other trade unions does not reflect that the global needs for support are highest in these sectors.

4.2.3 Conclusions and recommendations

It should be decided which priorities that should be made by the LO-TCO Secretariat, the GUFs and the Swedish Trade unions respectively. The criteria and procedures for selection need to be developed in order to facilitate the priorities being made by the Board of the LO-TCO Secretariat.

The criteria and procedures for assessment and follow-up should emanate from the over-all goals decided by the LO-TCO Secretariat. Since these goals are rarely reflected today in the local project plans, actions should be taken to make both activity plans and reports more useful for the process of follow-up and assessment in relation to the over-all goals.

As recommended in sub-section 3.2.2 the Assembly should discuss the principles of representation of the owners in the Board in order to among others safeguard its objectivity.

The Board should improve their procedures for prioritizing among the projects so that the application to Sida is given on a realistic budget level. Otherwise, these priorities have to be done retrospectively after Sida’s decision, which seems to be rather inefficient.

The Audit Team recommends that

- The division of responsibilities for priorities should be clarified at all levels.
- The LO-TCO Secretariat should allocate adequate resources to carry out the substantive change processes as are necessary to fulfil the intentions in the new guide for applications 2010–2012 and the Methods and quality assurance programme 2010–2012.
- The number of projects supported financially by the LO-TCO Secretariat should be reduced substantially. Grants to global and

regional programmes should be increased proportionally in relation to grants being given to individual projects.

- The LO-TCO Secretariat should prioritize comprehensive programmes that clearly show an understanding of the importance of developing capacity at the system level, organizational level and individual level simultaneously.

4.3 Involvement and ownership of partners and target groups in planning, monitoring and evaluation of projects or programmes

4.3.1 Observations and analysis

The LO-TCO Secretariat uses a participatory project planning approach. This approach is presented in part I and II of the “Handbook of Participatory Project Planning”. The LO-TCO Secretariat clearly states that all types of co-operation and agreements start with the creation of a common view of the objective of the co-operation. Such a common view can only be arrived at through a process in which all parties have been allowed to express their views and in which these views have been taken into account and integrated into the final agreement. The Guidelines state that all projects should be designed in a participatory way. Participation analysis is aimed at getting a clear picture of the parties that are related to the problematic situation and defining their roles in the realisation of improvements. Their role in project planning, implementation and monitoring should be established in order to ensure that the co-operation leads to the strengthening of the field organization (or the affiliate of the GUF in the field) in order to avoid the risk of economic dependency so that in due time activities can continue without the need for external support.

The project/programme proposals that the Audit Team has studied indicate that the projects are based on international dialogue, especially with the countries in the field and follow internationally agreed priorities. LO, TCO or one or several Swedish unions often work on projects with the GUFs and a union in the country receiving support, but it is the receiving organization that specifies its needs and priorities and carries out the project in accordance with its own development efforts. In cases where GUFs are contract partners the planning discussions often start at the regional level with discussions between the representatives of the regional office and the local country-based trade union organizations. The local partners say that they feel involved in these planning discussions, even though the application forms mostly are being done at the regional level.

Before the application form reaches the LO-TCO Secretariat there is a rather long planning process in which partners on different levels have taken part. The Audit Team has a general impression from the interviews and the field studies that the involvement of the partners in both the planning and the monitoring and evaluation process functions quite well, with some minor exceptions. It seems to be a greater problem that the LO-TCO Secretariat is not as much involved as the partners in these processes; this concerns particularly the evaluation processes.

The procedures differ from one organization to another. Individual members and other target groups in the field usually take part in the

planning and assessment processes, which was noticed by the Audit Team during the field studies in Kenya and Tanzania. In for example the case of ZATU, it is very much a bottom-up approach in which the local trade union organisation is the active part. On the global level the GUFs have developed procedures for planning. IMF – to take one example – has a four-year action programme as a ground for proposing projects to the LO-TCO Secretariat. That programme has been decided by the Congress of IMF, which means that all national member unions have taken part in the process. Before submitting the application to the LO-TCO Secretariat the proposal is discussed and decided by the Executive Committee of IMF. The Swedish IF Metall takes part in discussions in IMF before the proposal is handed over to the LO-TCO Secretariat. Interviews with the local partners and the professionals (sometimes referred to as “political officers”) of ICEM indicate that the affiliated unions in the field countries are highly involved in the design of the substantive content of applications. All the GUFs have similar procedures.

The Evaluation Guidelines state that *“Since a final report, according to the agreement with the LO-TCO Secretariat, should be submitted in all projects/programmes, an evaluation has to take place in all project/programmes²¹.”* Thus, these evaluations are to be initiated within the project/programme by the responsible organization and/or the GUF and co-operating organization.

The evaluations that are carried out as a component of a project/programme are usually limited to study of the project/programme at hand and its results and effects. It is emphasized in the Evaluation Guidelines that there is nothing to stop these actors from carrying out evaluations with a broader focus, for example on a theme or a country.

The partners take part in monitoring and evaluation of projects and programmes in different ways. When GUFs are contract partners of the LO-TCO Secretariat the local partners report their activities and finances to the regional offices, and they in turn report to the LO-TCO Secretariat. When a Swedish union is contract partner of the LO-TCO Secretariat the local organization reports directly to that Swedish union.

The evaluation processes are more extensive than can be seen from the written reports to the LO-TCO Secretariat. It is routine within the GUF system (ITUC, IMF, ICEM) that the regional offices have regular (at least once a year) evaluation meetings with the national trade union representatives about the experiences of the performed activities. Every two years there is a meeting with ITUC Africa, with all English-speaking countries in Africa, the purpose being to learn from each other as well as from ITUC as a form of benchmarking. The Audit Team has noted, however, that more information from these evaluation meetings should preferably reach the LO-TCO Secretariat in the written documents from the GUFs.

4.3.2 Conclusions and recommendations

The project/programme proposals generally indicate that ownership is emphasized. The involvement and ownership of partners in planning, monitoring and evaluation of projects and programmes is functioning

²¹ Evaluation guidelines for the LO-TCO Secretariat of International Trade Union Development Cooperation, Adopted by the Board of the LO-TCO Secretariat (June 21, 2006)

quite well. Most initiatives to projects are being taken on the regional and local levels. In cases where there are GUF programmes for supporting the development of strong trade unions in the developing countries the regional offices of the federations play an important role. When GUFs are contract-partners to the LO-TCO Secretariat information of evaluation results does not reach the LO-TCO Secretariat to the extent that should be desirable.

The Audit Team recommends that

- The LO-TCO Secretariat's systems for monitoring, evaluation and learning should be strengthened especially on outcome and impact.
- The LO-TCO Secretariat ought to take action to improve information from evaluation meetings in the GUFs.
- The LO-TCO Secretariat should initiate a learning process together with the Swedish trade unions and GUFs on how to involve the primary target groups more actively in evaluation of outcomes and impact.

4.4 Systems for planning, monitoring, evaluation and measuring of results

4.4.1 Observations and analysis

The Audit question as formulated in the ToR is: Are the programmes designed in such a way that the results are measurable?

The agreement with Sida states that the LO-TCO Secretariat should evaluate the work systematically. Sida reserves the rights to, at any time, evaluate any Sida-financed project/programme within the domain of the LO-TCO Secretariat. This right is stated in the agreements between the LO-TCO Secretariat and the agreement-holding organizations in every project/programme. The LO-TCO Secretariat reserves the same right to evaluate all projects/programmes.

The LO-TCO Secretariat has through the dialogue with Sida got the impression that Sida wants to have more of "programme thinking" in the application from LO-TCO Secretariat and consequently fewer isolated projects. There seems, however, to be some confusion of the meaning of "programme" or "programme approach". It is sometimes understood as the areas in which the LO-TCO Secretariat has clustered different individual projects. Sometimes "programme" seems to have been understood as an application where several Swedish trade unions co-operate and sometimes as an intervention where several beneficiaries are subject for the co-operation. Hopefully the LO-TCO Secretariat's guide for applications 2010–2012 will be appreciated for its guidance in this regard.

According to the guide development projects within the programme should, as a rule, cover a complete cycle commencing 2010 and ending 2012 (i.e. planning, implementation, follow-up and evaluation). Projects within a programme should be designed to allow for completion with measurable results after a three-year period. Projects whose objectives are considered to be unrealistic for a three-year period will not be approved. At the end of that three-year period, results must be evaluated, a final report submitted and plans made for the next project.

The LO-TCO Secretariat has developed Evaluation Guidelines containing descriptions of policy and orientation that set out the status of the Guidelines, stipulate the objectives of the evaluation work and clarify the division of roles and responsibility. It is stated that the Evalu-

ation Guidelines will be supplemented at a later stage with methodology support for use in the implementation of evaluations. Thus, the Guidelines do not contain anything about evaluation methods²². The objective of the LO-TCO Secretariat's evaluation work is to provide learning opportunities and the Guidelines states that *"It is important evaluations are never seen as a tool of control"*.

The Evaluation Guidelines are supposed to govern evaluations initiated and conducted by the LO-TCO Secretariat. The Guidelines are also intended to provide support to other actors in their evaluations of trade union development co-operation. However, they are not governed by these guidelines. Thus, there are two types of evaluations:

1. Evaluations as part of a project/programme
2. Evaluations initiated by the LO-TCO Secretariat with a broader approach for example of themes, countries or regions.

Decisions on the second kind of evaluations are made by the Board of the LO-TCO Secretariat. These evaluations are to be carried out in close co-operation with the responsible organizations, GUFs and co-operating organizations.

The LO-TCO Secretariat also tries to accomplish joint evaluations together with the TUSOs (Trade Union Solidarity Support Organizations).

The Audit Team has noted that the local project leaders are very active in the monitoring of the projects and that the implementation of the projects was adjusted when necessary. Also the regional offices and the other supervising organizations were active in the monitoring of the local projects. All GUFs require reports every three months from the project co-ordinators at the regional offices.

Most of the monitoring, however, is done mainly in relation to the planned activities. During the field studies and in the written reports the Audit Team has found very few efforts to evaluate ongoing or finished projects in relation to the development objectives or the over-all goals of the LO-TCO Secretariat.

The LO-TCO Secretariat avoids carrying out individual project evaluations not to negatively affect the learning process by carrying out the evaluation by an actor outside the project²³. However, the interviewees are generally of the opinion that external evaluations can have a positive effect.

In the Guidelines for International Trade Union Development Co-operation it is said that external evaluations should be carried out by independent experts with relevant trade union and professional experience and gender awareness. In all cases at least the aims and objectives of the evaluation, the methodology, the staffing, a timetable and a budget should be specified in terms of reference²⁴. The Audit Team has found only a few external evaluations during its work. It is obvious that external evaluations do not play an important role in the work of the LO-TCO Secretariat although there is an ambition to increase the number of external evaluations.

²² Evaluation guidelines for the LO-TCO Secretariat of International Trade Union Development Cooperation, Adopted by the Board of the LO-TCO Secretariat (June 21, 2006)

²³ Evaluation guidelines for the LO-TCO Secretariat of International Trade Union Development Cooperation, Adopted by the Board of the LO-TCO Secretariat (June 21, 2006)

²⁴ The Evaluation Guidelines

The Evaluation Guidelines states that every evaluation is to result in some sort of *after-work* resulting from the conclusions of the evaluation and the lessons learned from it. Responsibility for using the evaluation in their own future work lies with each individual actor in its role in the development co-operation, but the LO-TCO Secretariat should encourage that different actors make use of the evaluation²⁵.

The LO-TCO Secretariat has developed a handbook on evaluation of information projects²⁶. It has a learning approach to evaluation and contains practical examples and checklists. Two external evaluations on information projects are normally carried out every year. The Team has studied a sample of evaluations and found the handbook to be adhered to.

4.4.2 Conclusions and recommendations

In sub-section 4.3.3 it is recommended that the systems for monitoring, evaluation and learning should be strengthened especially on outcome and impact.

The Swedish trade unions follow the guidelines given by the LO-TCO Secretariat. The guide for applications 2010–2012 is clear on the demand for results measurement at all levels. It makes a clear distinction between the co-operation period and the project period and states clearly the need for showing concrete results in the final report from the project.

Evaluations of results should play a more strategic role in the work of the LO-TCO Secretariat. The LO-TCO Secretariat should in the application to Sida present a plan for its own evaluations of projects and programmes as well as a description of evaluations that will be carried out at other levels.

The Audit Team recommends that

- The LO-TCO Secretariat ought to initiate external evaluations to a larger extent. The evaluations should mainly focus on themes, regions, countries and working methods.
- The LO-TCO Secretariat should in the application to Sida present a plan for its own evaluations of projects and programmes as well as a description of evaluations that will be carried out at other levels.

4.5 Reporting systems

This sub-section deals with systems for reporting progress and results, and for reporting on deviation from plans (narrative as well as financial).

4.5.1 Observations and analysis

The project and programmes should be implemented in accordance with the approved project application. Any changes in the original project can only be effected after first being submitted to and approved by the LO-TCO Secretariat²⁷. The agreements 2009 state the following rules for reporting:

²⁵ Global trade union building in defence of workers' rights: Evaluation of Sida's support to the LO-TCO Secretariat of international trade union development cooperation, Final report, November 3, 2008, Frank Runchel, Agneta Gunnarsson, Jocke Nyberg, Context, INKA Consult, HN Consultants

²⁶ Handbok i Utvärdering av informationsprojekt, 2006

²⁷ General rules for implementation of projects in Africa, Asia, Latin America, the Caribbean and Eastern Europe and Central Asia 2009

- *Half-yearly report:* No later than September 1st, the implementing organization will submit a financial report on the special forms provided, including an estimate of funds needed for the second half-year.
- *Annual reports:* The implementing organization will submit a report detailing its activities during the year to be received by the LO-TCO Secretariat no later than March 1st of the following year. The report should be written on the appropriate forms: Narrative report (format 5), Financial Report (format 7 A and 7 B) and an Auditor's Report confirming that the accounts of all parties involved have been inspected.
- *Final reports:* Within nine months of completion of a project, i.e. by September 30 the following year, the implementing organization must provide the LO-TCO Secretariat with a detailed final report on the special forms intended for that purpose (format 8). The final report should include a detailed description of activities for the total duration of the project. Where the accounts show that the implementing organization has exceeded the sum originally allocated any excess should be repaid within nine months of the project's completion.

If projects are terminated during the period of agreement, the co-operation agreement will remain effective until the LO-TCO Secretariat has approved the final report. Unless the implementing organization is notified to the contrary by the LO-TCO Secretariat within six months of receipt of the final report, the co-operation agreement is understood to be terminated from the date of reception of the final report.

The project overview in the annual report to Sida gives detailed information on what has happened in the projects. In addition, the SWOT-based review of each region including an effort to summarize some information on the outcome and impact level gives aggregated information on what has been achieved in each region.

The Audit Team has studied and compared the information in internal reports between co-operating organizations in the field, reports from implementing organizations to the LO-TCO Secretariat and the Annual report from the LO-TCO Secretariat to Sida for (1) all projects and programmes visited in the field and (2) a sample of other projects implemented by the three Swedish trade unions that the Team has visited. The Team has found no examples where the information has been manipulated in the reporting chain.

The Swedish trade unions are contract partners with the LO-TCO Secretariat and consequently responsible for monitoring and reporting from the local projects. The Swedish trade unions have according to The Audit Team's assessment well functioning routines for the follow-up of their obligations. For example Lärarförbundet is visiting all its 15 local projects sponsored by Sida at least once a year. Every project reports to Lärarförbundet four times a year and most of the reports are according to the Audit Team's assessment well done. The bilateral character of the projects of Lärarförbundet makes monitoring and reporting relatively easy. Lärarförbundet co-operates with the Education International in formulating and implementing projects. Lärarförbundet believes that Education International has an important co-ordinating role and that it functions well as a forum for exchange of experiences.

Also the GUFs get reports four times a year, with good quality and substantial efforts of developing results beyond the output level. A comparison between the bilateral project handling and the multilateral one through the GUFs show an advantage for the GUFs, having regional offices at a much closer range to the project venues, which facilitates the frequent visits and participation in workshops and seminars. As the regional co-ordinators are usually present at all the events within the projects, this means up to ten visits per year within each project. To this should be added the visits from the GUF Headquarters and from the Swedish trade unions like IF Metall for evaluations and planning meetings.

The Audit Team has also observed that there are several discrepancies between what is expected from the LO-TCO Secretariat and what is really being done. Firstly, it is very difficult to find annual reports where activities are linked to finances. This means that it is not possible to follow up to what extent the planned activities have been carried out and how the actual implementation of the project has affected the budget of the project. Secondly, reporting of progress and results is mainly done in relation to activities, not in relation to development goals or even project goals. Reporting is rather often done in relation to performance indicators, but these are usually only on output level. Sometimes the reporting organization gives examples of progress; for example the development of the trade unions' membership level. There is very little information concerning how living conditions have been improved for the members or how the employees' rights or working conditions have developed as a result of training activities and other kinds of activities. Thirdly, there is a general lack of evaluation of working methods in the reports. A fourth observation is that deviations from the plans are reported and commented but it is very seldom there is an analysis of how the deviations effects the possibilities of achieving the over-all development goals and the project goals.

In addition to the project reports the Audit Team has also studied several reports regarding ST/ISKA/PSI West Africa project (10033), among other things the annual report made by PSI for 2008 and the external evaluation (in French with English summary). The annual report is structured around (1) development objectives, (2) project objectives, and (3) expected results (which are formulated as some kind of qualitative indicators). The annual report lists activities that have been carried out in 2008. It contains an extensive analysis of results where each item under "expected results" is commented with quantitative facts regarding output. A qualitative section contains an evaluation of strengths and weaknesses. The Audit Team has also studied ST internal reports on the same project. They are more qualitative and report in a more impressionistic way the effects of the project, but are well structured according to the different areas of activities of the project.

The Audit Team has noted that also the Evaluation Team has recommended improvements in reporting results.

4.5.2 Conclusions and recommendations

The Swedish trade unions have a close dialogue with the LO-TCO Secretariat in reporting progress and results. The Agreements between the Swedish trade unions and other parties (GUFs and field organizations) include rules on reporting.

The Audit Team has found no examples where the information has been manipulated in the reporting chain. On the basis of the examination the Audit Teams assessment is that the documentation that is received by Sida under current agreements reflects the real situation, and can therefore be considered to function as reliable data for Sida in the assessment processes.

However, there are no results indicators in the Applications studied on how stated objectives should be followed up. Thus, the reporting on outcome and impact should be improved.

Activities and finances have to be linked to each other in the annual reports. The annual reports should also present how the projects and programmes have developed in relation to performance indicators reflecting the overall goals of the co-operation.

The Audit Team recommends that

- The LO-TCO Secretariat should take initiative to improve the reporting of the projects/programmes with the purpose of having more integrated reports (activities and finances linked together) and reports which relates the results to the over-all goals of the LO-TCO Secretariat.
- The analysis in the annual report to Sida on results achieved at outcome and impact level should be further improved.

4.6 Systems for risk assessment and risk management

4.6.1 Observations and analysis

The LO-TCO Secretariat has produced a document named “Conflict and risks: The consequences for trade union co-operation projects”. This document contains a section dealing with risk analysis. In the application form to Sida the LO-TCO Secretariat has made risk assessments in the programmes/projects. These assessments seem to be relevant²⁸. Also, according to the Code of Conduct security should be given maximum priority. No member of the LO-TCO Secretariat Board has expressed the opinion that the risk assessments should be improved. The programme application “Decent Work for Quality Public Services” (2010–2012) has a qualified analysis of the situation in the countries and problems of the project context, but there is no explicit analysis of the risks associated with the programme per se.

However, in reality project plans have been difficult to implement because of what has happened in the local situation. A recent example is Kenya where some of the planned activities during 2007 and 2008 were hampered by local violent conflicts. Locally there is the best knowledge about risks that can influence the possibilities of carrying out projects and programmes. The application form to the LO-TCO Secretariat contains, however, very little information about risks and how to assess risks. Most project proposals are explicit on the problems regarding the country and/or the reform agenda but do not explicitly address risk issues regarding the project as such.

The LO-TCO Secretariat’s guide for Project and Programme Application 2010–2012 states that the application must contain context

²⁸ Code of conduct for union representatives on international assignments, adopted by LO-TCO Secretariat’s Board 1st of December, 2005.

analysis and problem analysis and this should among others include an assessment of the consequences of the problems.

4.6.2 Conclusions and recommendations

Risk assessments are in most cases best done at the local level. Thus, the risk assessments should preferably be done by the co-operating partner in the country where the activities are going to be carried out. The risk assessment and the risk management would be improved if the LO-TCO Secretariat had access to more information from the local partners about the risks and how to handle them. Thus, the demand for risk assessments should be more clearly stated in the guide for Project and Programme Application 2010–2012.

The Audit Team recommends that

- The LO-TCO Secretariat ought to further develop its guidelines for the applications with a more explicit demand for risk assessments and information on risk management.

4.7 Exit strategies with regard to sustainability of partner organizations as well as to projects and programmes

4.7.1 Observations and analysis

The Guidelines state that the aim of projects/programmes must be set within a realistic time schedule and include a time frame for a gradual phasing out of support. The project must be oriented towards assisting the field organization to become self-reliant as external support is phased out. Sustainability is one of the major criteria for the selection of projects and programmes. The application form contains information of how this aspect has been taken on board in the judgment of the different projects and programmes. The chosen approach implies that the scope of the projects/programmes must be proportional, as far as possible, to the human resources and financial circumstances of the field organization. This answers the question on why the LO-TCO Secretariat supports many projects with relatively small amounts of funding.

The Audit Team has not found any example of exit strategies in the ongoing projects or programmes. None of the studied GUFs or Swedish trade unions have an exit strategy on a more general level either. The applications for the two project periods studied in this Audit do not explicitly address the issue of exit. Many projects go on for several years without a profound evaluation of results. Several of the persons interviewed by the Audit Team have expressed a need for exit strategies at least for projects and programmes which have been going on for many years.

For the development projects in the portfolio 2008, the length of the projects were 1–3 years for 39 projects, 4–5 years for 47 projects, 6–10 years for 67 projects and more than 10 years for 45 projects with an average of 8 years.

The project period for the programme and the projects that were studied during the field visit to Kenya and Tanzania was 1989–2010, 2003–2012, 2004–2010, 2003–2009 and 2003–2012 respectively. Thus, the programme that was studied started 21 years ago. Sida has stated that before projects and programmes are started the LO-TCO Secre-

tariat should define the length of the project period clearly and ensure that the goals are possible to attain during the project period²⁹.

4.7.2 Conclusions and recommendations

There is need for explicit exit strategies in projects and programmes. As the average length of the projects is notable there is need for an analysis of which projects should be phased out after 2009 and during the next application period 2010–2012 respectively.

The Audit Team recommends that

- The LO-TCO Secretariat should make an analysis of which projects should be phased out after 2009 and during the next application period 2010–2012 respectively and ask for plans for the exit of these projects.

²⁹ Sida: Assessment of LO-TCO Secretariat's application for the 2007-2008 fiscal years (Assessment Memo 15 December 2006)

5. Financial management and control

The analysis of systems and routines for financial management and control focuses on the LO-TCO Secretariat but consistently includes the complete chain of co-operation.

5.1 Financial reporting system

5.1.1 Observations and analysis

The financial system states that financial reports should include a statement of income and expenditure compared to the project budget. Deviations from the approved budget should be explained. If the project covers more than one year, the possible closing balance of the previous year/project period must be carried forward as an opening balance of the following year/project period. Project financial reports should also include information on the transfers made from intermediary organizations to local organizations. Transfers must be reported in the currency of both the intermediary organization and the local implementing organization. All financial reports must be signed by the appropriate leaders of project implementation.

In principle, expenses are accounted for on a cash basis; however, project accounts could include accruals for goods or services received before the reporting period ends or services directly linked to that accounting period (e.g. audit fees).

The Audit Team has found all financial reports to be in good order, with income and expenditure compared to the project budget. Deviations from the approved budget are explained and the closing balance from one year is carried over as the opening balance the following year. Transfers are reported in the currency of the intermediary organization and the local implementing organization. The fluctuations of the currencies, though, are a problem to all organizations involved. Another problem is the differing deadlines for reporting to the many donor organizations.

The LO-TCO Secretariat has a series of templates and documents that are used as models for both applications and project reports. The LO-TCO Secretariat also has regular discussions with other similar Solidarity Support Organizations – SSOs (for example SASK in Finland, LO Norway, LO-FTF in Denmark and FNV Mondiaal in the Netherlands), which helps in coming up with unified standard documents in a lot of cases. This way, GUFs, or others, do not have to use different forms for these organizations.

There is at least one formal meeting per year where the abovementioned SSOs have internal discussions one day and the 2nd and 3rd day meetings are for discussions with SSOs and GUFs together. Standardisation of documents and forms often is on the agenda.

The LO-TCO Secretariat uses a standard Excel sheet for budgeting. Since a programme budget will probably not be very detailed, a more

detailed budget is submitted to allow for assessment of the budget's relevance. The following information must be given: Relationship between the detailed budgets and the programme budget, the programme involved, type of activity, budgeted and requested amount, own contribution; and currency used.

It is in the manuals pointed out the important principle that the financial report is coherent with the content of the project plan. It shall also cover explanatory notes, whenever necessary, on issues in the report such as substantial deviations from originally approved budget.

Reporting is addressed in the agreements with the co-operating organizations. The agreements state in short:

- After each part of the project the field organization provides a financial report with all the receipts enclosed to the Project Responsible Organization.
- When the project is concluded the implementing organization shall make a final financial report.
- The final report together with the auditor's report shall be submitted to the Project Responsible Organization.

5.1.2 Conclusions and recommendations

The financial reporting system used at the LO-TCO Secretariat is functioning well. However, it creates additional problems for the GUFs with differing formats from, at their level, the many donor organizations.

The Team has in sub-section 4.5 recommended that the LO-TCO Secretariat should take initiative to improve the reporting of the projects/programmes with the purpose of having more integrated reports (activities and finances linked together) and reports which relates the results to the over-all goals of the LO-TCO Secretariat. That will facilitate the difficult task to measure effectiveness and efficiency.

The Audit Team recommends that

- The LO-TCO Secretariat ought to continue its efforts to coordinate formats and deadlines for all donor organizations involved in its projects and programmes.

5.2 Authorizations

5.2.1 Observations and analysis

The rules of authority normally deal with the following:

- Authority to sign on behalf of the organization
- Power of attorney
- Attesting
- Directions for payments

The Statutes for the LO-TCO Secretariat state that *“The Board is assisted by a Secretariat which prepares the agenda to be considered and executes the Board's decisions. The Secretariat is headed by a Director, who participates in Board meetings as submitter and secretary of the Board. The Director's work order is determined by the Board. Other types of work order are established by the Director.”*

The LO-TCO Secretariat has an Order of Work³⁰ outlining the division of responsibilities between the Board, the Advisory Council

³⁰ “Arbetsordning” adopted by the Board 1996-03-27 and revised 2002-03-21, 2002-04-24, 2005-05-11 and 2008-01-23

and the office of the LO-TCO Secretariat. It also specifies the authority of the Director. The Director is authorized to attest all administrative costs including the staff's travel costs. The Director is also authorized to reallocate funding in ongoing projects up to 50 000 SEK per project and calendar year. He is also authorized to decide on additional funding in ongoing projects up to 50 000 SEK per project and calendar year.

The Statutes state that *“Agreements will be signed by the person or persons appointed by the Board.”* The Board has decided that authority to sign on behalf of the LO-TCO Secretariat is given to the Chair of the Board, the Director and the Head of Finance as follows: They are all individually authorized signatories on agreements, letters and so on. All payments from the bank accounts must be signed by two of the signatories including payment of salaries.

According to the rules for internal control all verifications are attested by two persons³¹. Attest of a document is not only an approval to debit/credit the cost/revenue but also that the attestant³² confirms that the necessary approvals for the earlier procurement of the relevant goods/services, disposal of assets etc have been correctly applied. Attest also means the responsibility for reasonable checks being made regarding transactions, i.e. that transactions are in accordance with an agreement and within an authorized budget.

All transactions must be attested by the Director or the Head of Finance. Capital expenditure in excess of SEK 50 000 must always be discussed with the Chair of the Board.

No one may attest his/her own costs. The Director's travel costs etc shall be attested by the Chair of the Board. The Director is attestant for the Head of Finance's costs.

The Audit Team has also assessed the rules of authority in the GUFs and the Swedish trade unions. Authorization in development co-operation projects follows the same principles as is generally applied in the Swedish trade union and the GUFs. These are of similar standard that has been documented for the LO-TCO Secretariat. However, the details depend on the organizational structure and two of the studied organizations have not been able to provide the Audit Team with adequate documentation of the decisions of authorization.

5.2.2 Conclusions and recommendations

All studied organizations apply rules of authority and internal control in accordance with agreements and international standard. However, the Team has not been provided with written rules of authority in two cases. The Audit Team emphasizes the importance of continuing vigilance.

The Audit Team recommends that

- The LO-TCO Secretariat should initiate that the applied rules of authority in GUFs and trade unions are documented.

31 Regler för kontroll vid ekonomiska transaktioner, antagna av styrelsen 1999-12-16 and revised 2003-12-16

32 An attestant = a person who by his/her signature verifies the validity of the documents in context of the LO-TCO Secretariat's administration and operation.

5.3 Transfers of funds and bank and cash holdings

5.3.1 Observations and analysis

The contribution from the LO-TCO Secretariat as stated in co-operation agreement is paid in Swedish currency. Payments are made at the going exchange rate on the date of transfer. The LO-TCO Secretariat accepts no responsibility for any changes in exchange rates which may occur during the period in which funds are paid. Funds are distributed quarterly in response to applications made on the appropriate form. However, exceptions can be made after written agreement between the LO-TCO Secretariat and the implementing organization.

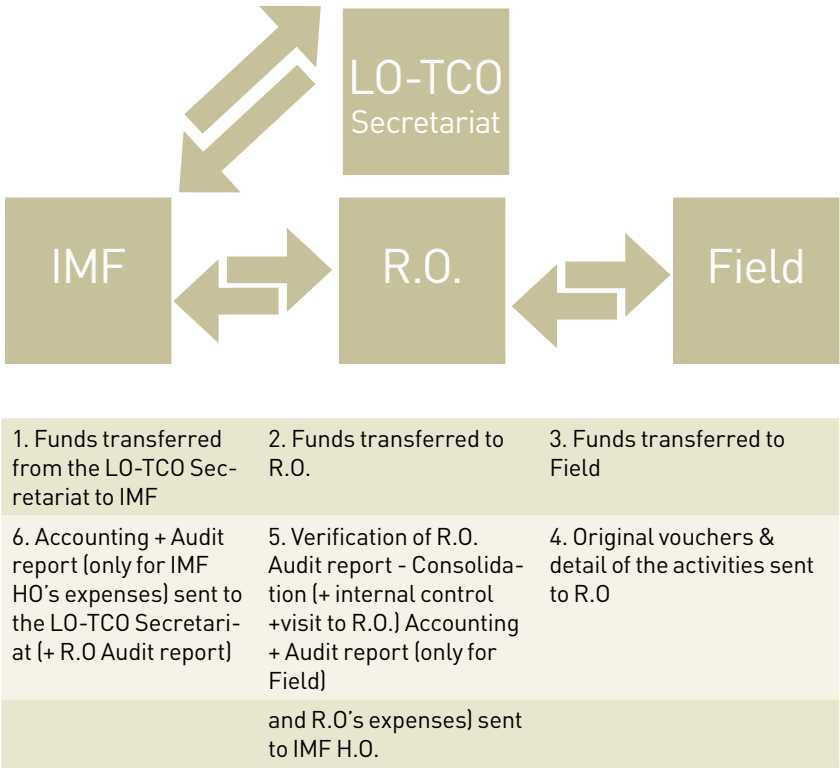
If complete reports: Activity report (format 5), Financial report (format 7 A and 7 B) and Auditor's report/certificate for a completed year has not been submitted, the LO-TCO Secretariat is entitled to withhold transfers 2–4 of the project allocation until complete reports have been received. Remaining balance in the project from fiscal year 2008 is deducted from the allocated amount for fiscal year 2009 when transfer of funds is made.

The account to which payments are transferred must be in the name of the implementing organization. Interest received should be accounted for but can be used in the project, if not the interest should be reimbursed to the LO-TCO Secretariat to be forwarded to Sida. When the implementing organization has requested and received a payment of funds, the LO-TCO Secretariat must receive written confirmation stating the amount received in the currency in question.

If reports have not been submitted to the LO-TCO Secretariat within the time stipulated, the LO-TCO Secretariat may stop transfer of funds to the implementing organization for other projects approved. When this rule was included in the agreements from 2007 it resulted in a 50% decrease in unreported projects compared with 2006. However, it also resulted in two cases of project activities planned for 2008 that were not carried out (LO, TCO and ITUCs global Hiv/Aids project number 50030 and IF Metall and ITGLWFs project 21129 in Cambodia). Furthermore, as regards not submitted final reports, the LO-TCO Secretariat reserves the right to send an invoice of the amount not accounted for.

For the projects visited in Kenya and Tanzania by the Audit Team, there was no actual handling of funds, except for the projects at Zanzibar between ZATU and Lärarförbundet, and the PanAf project between Cotu(K) and ITUC, LO and TCO. The other projects run by the GUFs, and visited by the Audit Team, are financially handled by their respective regional offices. The explanation given has been experiences of corruption and uncertain or unreliable banking systems. This means that the co-ordinators arrive from South Africa for the project activity, carry with them the cash needed, usually participate in the activity, sometimes in the capacity of educators, otherwise facilitators or for monitoring purposes, write an activity report, pay the ensued costs, collect all invoices and return to South Africa. One of the GUFs brought up the suggestion of transferring the money directly to regional GUF offices, with a copy of the transaction to the GUF Head Office, which would shorten the chain of transfers.

An illustration of the transactions between the LO-TCO Secretariat, one of the GUFs, its regional office and the field as of to-day is included below. The other GUFs have similar processes.



ZATU, a bilateral project, is one of the projects among the five visited by the Audit Team where the local trade union keeps a separate bank account for Sida funding and accounts for the correct handling of the transfers. These were kept in good order, with at least two signatures required for withdrawals from the bank. However, the independent auditor Ernst & Young has noticed that the trade union ST does not have a separate bank account for the LO-TCO grants. This had been observed in an audit report dated 28 January 2009 and it was still the case when the Audit Team visited ST. Also, IF Metall has no separate bank account for Sida funding.

5.3.2 Conclusions and recommendations

It is obvious that it is a long way through the GUFs for the funding to arrive to the project activities. However, both methods, i.e the bilateral system and the multilateral one, are functioning well. It might be considered a problem, though, that the funding has to pass many stations within the multilateral system until it arrives at its destiny. The transaction costs are high. The possibility of transferring the funds directly to the GUF regional level should be taken up for discussion for example at the next GUF meetings.

Regarding those five projects that were visited by the Audit Team, which are all situated in Africa, the advantage with the multilateral system is the proximity between the national trade unions partaking in projects and the regional offices of the GUFs.

The Audit Team recommends that

- The LO-TCO Secretariat should initiate a discussion on the possibility of transferring funds directly to the GUF regional level.

5.4 Budgeting processes

5.4.1 Observations and analysis

The financial year coincides with the calendar year. The budget for each project is always an integrated part of the project proposal. The Guidelines include principles regarding general costs, allowances and salaries. In principle, the budget is presented in the currency of the country in which the expenditure occurs and must include funds allocated for the project by the field organization, income from other sources and funding applied for from the funding organization. However, when a project covers more than one country or when expenses for assistance from the international organization to the field organization are included in the application, these expenses should be given in the currency used by the international organization. If a project has income from sources other than the funding organization to which the application is being presented, this is reflected in the overall budget. The field organization must account for its income and expenses.

Once the form of co-operation has been agreed upon, the partners draw up a contract in which rights and responsibilities are set out. The final mutually agreed budget is always explicitly stated in the contract between the requesting and the funding organizations. Any substantial changes in the budget must be agreed on in advance by the LO-TCO Secretariat. Expenditure not included in the approved project budget is not accepted as project expenditure without prior written approval.

There are thorough budgeting manuals in place on all levels of the organizational chain. These manuals are followed and budgets are in most cases delivered on time. There have been a few delays, though, occasionally, due to unforeseen incidents, but as a rule the Swedish trade unions and the GUFs are able to hold their part of the bargain.

The application for projects and programmes 2010–2012 should according to the guide provided by the LO-TCO Secretariat include separate budgets for each year. The organization's own contribution is specified in each project.

5.4.2 Conclusions and recommendations

Of course the budgeting process is affected by the problems described and analysed in sub-section 4.2. The Audit Team has found no other shortcomings or irregularities of any kind in the budgeting process. Thus, the Team has no recommendations on changes in addition to those in sub-section 4.2.

5.5 Audits in all parts of the organization, quality of audit certificates

5.5.1 Observations and analysis

The Statutes states that *“The Board’s administration and accounts will be audited annually by two auditors appointed by the Assembly. Accounts will also be audited by a chartered or authorized accountant”*. The Audit Team has studied the Audit reports for the last three years and also contacted the Auditors for additional information. The Audits are unqualified and the

notes done by the auditors in the Audit report have been forwarded in the reporting to Sida. The Audits are based on SNT 4400 (FAR SRS standard) and Sida's Audit Guide for Swedish NGOs. The Audits have been carried out in a professional manner.

The agreements with the implementing organizations for 2009 state the following rules for Auditing: The implementing organization is committed to ensuring that annual reports are audited by an authorized chartered accountant. Where funding does not exceed 200.000 SEK, the organization may use its own elected auditor. The Swedish union's own contribution should be included in the audit. Auditing costs can be included in the project budget and may be deducted from funding.

The LO-TCO Secretariat provides a standard format for the Auditor's report on the financial statements that comply with Sida's requirements. The auditor's report should state:

- whether auditing was carried out in accordance with generally accepted auditing practice.
- whether the reports are effectively a true statement of the management of project funds during the period in question.
- how auditing was carried out at previous levels during the implementation process.

According to the Audit report on the LO-TCO Secretariat's framework agreement with Sida for 2007 the LO-TCO Secretariat is well meeting the requirements in Sida's Audit Guide. However, it is noted that out of 270 projects audit certificates were missing for 62. In these 62 projects a total of SEK 25 471 054 was transferred to the implementing organizations.

According to the Audit certificate from the LO-TCO Secretariat's auditor the internal control of auditing in the whole organizational chain has been improved during 2008. However, the Auditor suggests further improvements. Out of 248 projects 2008 audit certificates was missing for 63 according to the Audit report. In these 63 projects a total of SEK 32 337 462 was transferred to the implementing organizations³³.

Out of the five programmes/projects studied during the field visit an Audit certificate was missing for one project 2008 (project 10055). The reason was a discussion on an amount of 900 SEK. The Audit Team has been informed that the problem is solved; however, it has not been confirmed in writing.

The auditor's certificate should state/certify funds used, own contribution and the balance brought forward and the balance to be carried forward. The certificates that the Audit Team has studied through the whole organizational chain are meeting these requirements. However, the basis for the certificates is not possible to verify in a systems-based audit. The instructions for auditors and/or checklists that the Audit Team has been provided with indicate that the audits have been conducted in a professional manner. Two examples that may be useful for sharing experiences throughout the Trade Union Development Co-operation:

³³ ÖhrlingsPrice Waterhousecoopers: Granskningsrapport för granskning av LO-TCO Biståndsnämnd ramavtal med sida för år 2008 (5 maj 2009)

1. IF Metall's auditor uses from 2009 a comprehensive checklist when auditing the bilateral projects. It covers the audit of the Project Responsible Organization as well as the follow-up of the audits of Co-operation Organizations.
2. The Instruction for Auditors at IMF was also covering the obligations for the certified auditors at the regional level. According to this instruction, the following audit risks should be identified: Accruals, Authorization of expenses, Use of funds earmarked for external projects are in line with budget, Proper allocation of expenses by external projects, according to budget, Treatment of foreign exchange; and Related parties transactions. A time table is included, with deadlines for Audit planning memorandum, Auditors' reports on external projects, Auditors' reports on offices, audit summary memorandum and Management letter (if any). Auditing is done on all levels of the implementation of projects, internal ones as well as external. The external audits performed at GUFs regional level are in their turn audited by an Audit Committee at GUF Head Quarter level.

The Team has studied the audit reports throughout the whole organizational chain. In conclusion they state that Sida's requirements are met. The audit reports verify that the organizations' own contributions are in line with stipulations (10.3 percent), that it is possible to follow the LO-TCO Secretariat's contributions in the accounting and that costs are verified. However, the Audit Team has found one exception: In the audit of ST it is noted that ST does not have a separate bank account for LO-TCO contributions³⁴. Actually the same goes for IF Metall.

5.5.2 Conclusions and recommendations

Where auditing is concerned, the long chain within the multilateral system is time-consuming and the costs for auditing are high. In fact a rough estimation is that approximately five times as much is spent on auditing projects compared with evaluations. Thus, the conclusions at sub-section 5.3.2 have also some relevance when it comes to auditing.

The Audit Team recommends that

- The LO-TCO Secretariat should continue its efforts to increase the compliance with the agreements with Sida.

5.6 Project management systems and chart of accounts

5.6.1 Observations and analysis

The LO-TCO Secretariat uses a comprehensive handbook for participatory project planning. It has been developed in co-operation with FNV the Netherlands, LO/FTF Denmark, LO Norway and SASK Finland. The first part of the handbook contains a brief review of basic principles on project planning and LFA. The second part of the handbook gives practical instructions for trade union organizations on the identification and formulation of projects. The Guidelines state that unions should establish their own accounting system and financial regulations which should be followed up by appropriate internal control and auditing. The principles that are set in the Guidelines are the mini-

³⁴ Ernst & Young 28 Jan 2008

minimum requirements of the Nordic-Dutch trade union organizations for accounting and auditing projects. The aim of the Guidelines is to assist the project partners in developing their internal control and accounting systems and to support the capacity building of the project partners in their financial administration.

As a minimum comprehensive basis of accounting the following is required:

- Vouchers (original accounting documents)
- Journal (transactions entered in chronological order)
- General Ledger (summary book of accounting)
- Balance Sheet and Inventory, when applicable

All fixed assets are to be expensed in the year of purchase. Expenditure must be reported in the same currency as the approved budget. If expenditure is defrayed in various currencies, translations are made to the budget currency at the transfer or average transfer rate.

5.6.2 Conclusions and recommendations

As part of the LO-TCO Secretariat comprehensive handbook the rules for internal control and auditing are distributed to the receiving organizations. The Audit Team is of the opinion that the Guidelines have been followed correctly at relevant levels of the organizational chain. Thus the Audit Team has no recommendations of changes in this regard.

5.7 Promotion of good administration, transparency in the administration of funds, and counteraction of corruption

5.7.1 Observations and analysis

The Guidelines state that accounting and auditing should be transparent and easily accessible to co-operating partners, as well as to members. The implementing organization is committed to retaining on file all project-related documents for a period of ten years. The administration at the LO-TCO Secretariat is in good order. However, some steering documents have not been reviewed for many years. According to the interviewees there is need for manuals and guidelines in several areas. Also, it is not always clear what are rules, policies or guidelines.

According to the agreements with the implementing organizations the LO-TCO Secretariat may unilaterally terminate the agreement at any time without previous judicial process if the implementing organization is no longer willing to carry out or capable of carrying out the project in accordance with the approved plan, or if circumstances change to such an extent that the project in question is no longer considered viable. The LO-TCO Secretariat may withhold new or pending funds if the conditions of the co-operation agreement are not met with. In a case of suspected fraud or corruption in a project/programme an audit should be conducted initiated by the LO-TCO Secretariat³⁵.

The Code of Conduct contains guidelines on corruption, abuse of position of power, discrimination among other things³⁶. It is clearly stated in the agreements that the implementing organization, or a person

³⁵ Evaluation guidelines for the LO-TCO Secretariat of International Trade Union Development Cooperation, Adopted by the Board of the LO-TCO Secretariat (June 21, 2006)

³⁶ Code of conduct for union representatives on international assignments, adopted by LO-TCO Secretariat's Board 1st of December, 2005.

on assignment within the project on behalf of the implementing organization, must not become involved in corruption by giving or receiving economic bribes or other benefits for the purpose of gaining advantage over others. If irregularities or corruption is suspected in a project financed by funds from the LO-TCO Secretariat, the implementing organization is compelled to inform the LO-TCO Secretariat without delay. It is also stated in the agreement that Sida's *"Acting on suspicions of Corruption – a guide"* is applicable in this context.

It is stated in the agreements with the implementing organizations that the LO-TCO Secretariat and Sida reserve the right to follow up and investigate how funding has been used and administrated. The implementing organization commits itself to facilitating such investigation. Investigation will take place only after the implementing organization has received written notification, stating the reasons for investigation. The results of investigation will be submitted to the implementing organization before the report is finalized.

It is also stated in the agreements that the LO-TCO Secretariat and Sida reserve the right to evaluate projects financed by the LO-TCO Secretariat. An evaluator will be appointed by the LO-TCO Secretariat or Sida or both, whose task the implementing organization will facilitate in every way. No evaluation will be initiated until the implementing organization has received written notification, stating the reason for evaluation. The results of evaluation will be submitted to the implementing organization before a final report is presented. Any financial costs incurred by the implementing organization during evaluation will be dealt with in a separate agreement prior to evaluation. The LO-TCO Secretariat reserves the right to carry out evaluation after the termination of a co-operation agreement. As for the rest the LO-TCO Secretariat's Evaluation Guidelines are to be applied.

For example IMF has very strict rules and routines in order to safeguard the organization against corruption. All staff at the LO-TCO Secretariat as well as at the GUFs seems to be alert, checking and meeting with auditors while visiting local partner organizations. The administrative as well as financial handling of several projects in Kenya and Tanzania from respective Regional Office in South Africa may be considered as counteraction of corruption. There have also been cases where trust accounts have been opened at the auditors' offices.

5.7.2 Conclusions and recommendations

The management and administration can be further improved. The LO-TCO Secretariat should review all steering documents on a regular basis. There is room for improvements and a need for further development of manuals and guidelines in several areas. The LO-TCO Secretariat should clearly distinguish between rules, policies and guidelines. The LO-TCO Secretariat should consider having an updated and complete management system available on its intranet. The LO-TCO Secretariat should conduct a professional review of all internal processes and based on that develop efficient process charts.

The Audit Team recommends that

- The LO-TCO Secretariat's management systems including process charts, rules, policies and guidelines should be reviewed and updated and made available electronically for key staff at all levels.

5.8 Compliance with Agreements

5.8.1 Observations and analysis

5.8.1.1 Contracts and agreements

The LO-TCO Secretariat has developed a standard format for the co-operation agreements. All co-operation agreements 2009 states that *“for the project an own contribution should be paid as stated in the attached “General rules for implementation of projects in Africa, Asia, Latin America, the Caribbean and Eastern Europe and Central Asia 2009” and “Appendix to Co-operation Agreement”*. Similar standard agreements were used 2007–2008³⁷.

However, there are exceptions from the standard agreement. For the Programme 2060 (the PanAf Programme) that were studied by the Audit Team another format for the agreement was used. For each country taking part in this programme there is a General Co-operation agreement with LO and TCO. When it comes to the studied co-operation in Tanzania this agreement was signed 2003. Each year a Co-operation agreement is signed. The Audit Team was provided with the agreement 2009 for Tanzania. However, an agreement for Kenya had not been signed for 2009 as the own contribution had not been reported.

The standard agreement was used for the other four projects that were studied during the field visit. However, when it comes to project 50012 the agreement was not available as the project is co-financed together with Holland and Finland and signing the agreement was awaiting a Dutch visit to ICEM. When it comes to project 10055 all payments were stopped as the Audit Certificate for 2008 was not submitted yet.

The format of the agreements varies to some extent at different levels of the organizational chain and also the process is different from organization to organization as discussed in sub-section 3.3.1.

Concerning the relation between the GUF's regional offices and the national trade unions, there are no contracts or agreements. Regarding agreements between the Swedish trade unions and national partners in bilateral co-operation there are cases where concrete agreements have not been signed. For example IF Metall is now undertaking a review to ascertain that there are agreements signed for all bilateral projects.

5.8.1.2 Own contribution

In an appendix to the co-operation agreement the Swedish trade unions certify that the organization's own contribution will be accounted for in the project report. The actual own contribution is always calculated on the used amount implying that the own contribution may be lower should the allocation not be fully used. The Swedish trade unions will see to it that the own contribution is accounted for and certified in writing by an auditor in the yearly report to the LO-TCO Secretariat. The Swedish Union/s and Global Union/s also certify that they have shared the information in item 2.2 in the *“General rules for implementation of projects in Africa, Asia, Latin America, the Caribbean and Eastern Europe and Central Asia 2009”* reading *“This contribution will be made either by the Swedish Union/s or by the Global Union/s concerned or by both jointly”* and have agreed between them how the own contribution should be paid.

³⁷ These agreements were referring to the attachment “Allmänna villkor för genomförande av projekt i syd och öst 2007–2008”

The GUFs and the Swedish trade unions are aware of that their own contribution in the report to the LO-TCO Secretariat in total should amount to at least 10.3 per cent of the used amount for respective GUFs or Swedish trade unions entire project portfolio.

In practice the systems in use makes sure that it is not possible to requisition the entire budget costs from the LO-TCO Secretariat, but own resources have to be added in order to cover overhead costs and field costs. The Audit Team has checked the calculation on own contribution in all visited organizations. It is always a minimum of 10.3% of the total budget of a project.

Two concrete examples with Lärarförbundet as the first example of how the own contribution is calculated: For project co-ordinators, moderators or other resource persons the part of their salaries for the time actually working on a specific project is included, as are e.g. travel costs for trips connected with the project, like participating in work-shops, or in planning or evaluation meetings. As already mentioned in this report 1.5% of the members' fees are allocated to international co-operation. The contribution is controlled by the auditors.

The second example: ICEM gives the costs for personnel directly working with projects, as well as travel expenses, also for project co-ordinators and other resource persons, as own contribution. The costs are financed by affiliation fees and constitute 43% of the total allotted budget for 2008 for projects supported by the LO-TCO Secretariat.

The national trade unions are affiliated to the GUFs. The national trade unions pay affiliation fees annually. The amount of money depends on the number of members they have. The amount to be paid per member is decided by the GUF. A portion of the fees is used to pay for the salaries and travels that is regarded as the own contribution.

The Audit Team confirms the auditors' statements and has not found any other indication that the calculation of own contribution is done in a way that is not in compliance with the agreements. However, the Team's understanding is that Sida to some extent has another view on what kind of costs that can be included in own contribution. It is important for both parties that this issue will be sorted out and clarified.

5.8.1.3 Assessment of compliance with Sida's General Conditions

In this sub-section the Audit Team presents the assessment of the LO-TCO Secretariat's compliance with the "General Conditions for Sida's Grants to Swedish Non-Governmental Organisations (2003)". The Team has examined both the LO-TCO Secretariat's own compliance and the LO-TCO Secretariat's management and audit of compliance in organizations at lower levels.

Conditions reviewed	Yes	No	Comments
Agreements (Section 5)			
The organization enters into agreements with organizations at the next level.	x		See section 4.2
The organization's agreements with next-level organizations come into effect before funds are disbursed.	x		There are clear directions that funds may not be disbursed without a signed agreement. When disbursements are requested, the regional administrator at LO-TCO Secretariat checks for a valid agreement before approval.
The organization's agreements with next-level organizations include applicable conditions from the General Conditions, sections 6, 8, 9, 10, and 11.		x	This is included with the exception of procurement (Section 11). The Audit Team has found several examples where costs have been reimbursed by cash instead of transferred through the international bank system (Section 6).
Requisition and disbursement of funds (Section 6)			
Sida funds are only disbursed from the organization to a next-level organization when the latter has submitted the stipulated reports.	x		LO-TCO Secretariats general rules for implementation of projects clearly states that if complete reports (Activity report, Financial report and Auditor's report/certificate) has not been submitted for a completed year, the LO-TCO Secretariat is entitled to withhold transfers 2-4 of the project allocation until complete reports have been received.
Administration of funds (Section 7)			
The organization keeps Sida funds in a separate bank account.	x		The LO-TCO Secretariat keeps Sida funds in 12 separate bank accounts
Two persons in the organization are to sign jointly for the separate bank account for Sida funds.			Two of Torbjörn Strandberg (Director), Robert Eriksson (Head of Financial dept) and Peter Hellberg (President of the Board).
The organization ensures that next-level organizations keep Sida funds in a bank account.	x		No requirements have been placed for a separate bank account in LO-TCO Secretariats project agreements. The Audit Team has found examples where Sida funds are not kept in a separate bank account.
Repayment of funds (Section 8)			
The organization repays Sida funds that have not been used.	x		
Results reports and financial accounts (Section 9)			

The organization applies generally accepted accounting principles.	x	
Financial audit (Section 10)		
The organization is audited in accordance with Sida's audit instruction 1.	x	
A certified auditor audits the organization.	x	
The organization submits an audit certificate to Sida, in accordance with audit instruction 1.	x	
The organization submits an audit report to Sida in accordance with the Audit Guide.		
In agreements with next-level organizations, the organization has included conditions related to financial audit in accordance with the Audit Guide.	x	The LO-TCO Secretariat's general rule for implementation of projects includes requirements for Auditing. See subsection 5.5
The organization reviews the financial audit in organizations at the next level, in accordance with the Audit Guide.		

5.8.1.4 Assessment of compliance with LO-TCO Secretariat's framework agreement with Sida

In this sub-section the Team presents the assessment of the LO-TCO Secretariat's compliance with relevant parts of the "Avtal om rambidrag mellan Sida och LO-TCO Biståndsnämnd (2003)".

Conditions reviewed	Yes	No	Comments
§5 The frame organization fulfils the requirements related to systematically evaluating activities that receive Sida support.			See sub-section 4.5
§5 The frame organization fulfils the requirements regarding consultation with Sida on all changes in budget, focus, and implementation of activities that exceed 0.5% of the total frame grant for the year in question.			
§9 An annual report should be submitted to Sida no later than May 15 regarding the activities funded by Sida the previous year.			The annual report contains sub-sections for each region on analysis of results and effects of the projects.
§9.2.1 When it comes to the reports regarding completed activities, the LO-TCO Secretariat shall assess the qualitative experience, with emphasis on the effectiveness of actions and long-term effects, as well as the impact the experience has had for the LO-TCO Secretariat, its co-operating organizations and their partners.			See sub-section 4.5. The annual report contains sub-sections for each region on "results and effects of finalized projects". The analysis in the annual report to Sida should be improved when it comes to results achieved at outcome and impact level.

5.8.2 Conclusions and recommendations

The LO-TCO Secretariat meets Sida's terms and conditions with one exception namely the fulfilment of the requirements related to systematically evaluating activities that receive Sida support. Even if there are some evaluations carried out the LO-TCO Secretariat is not systematically evaluating the aggregated results of its project portfolio.

The LO-TCO Secretariat's control system secures that the partners also comply with these regulations with a few exceptions as detailed above. The LO-TCO Secretariat is already taking relevant actions in order to further increase compliance. It is hard to see how these efforts could be strengthened, however, they must continue. As long as the LO-TCO Secretariat is not fully in compliance with the agreements with Sida it is not acceptable. Thus, the efforts to increase compliance with agreements must have high priority at all levels. This also applies to the new agreement for the period 2010–2012 planned to be signed later this year.

The Audit Team confirms the auditors' statements that the calculation of own contribution is done in a way that is in compliance with the agreements. However, the Team's understanding is that Sida has another view on what kind of costs that can be included in own contri-

bution. It is important for both parties that this issue will be sorted out and clarified.

The Audit Team recommends that

- The LO-TCO Secretariat should continue its efforts to increase the compliance with the agreements with Sida.
- The LO-TCO Secretariat should invite Sida to an open dialogue on how to calculate own contribution.

5.9 Systems and routines for procurement

5.9.1 Observations and analysis

The LO-TCO Secretariat uses Appendix 2 on Procurement regulations for non-governmental organizations in the General Conditions for Sida's grants to Swedish non-governmental organizations. The GUFs and the Swedish trade unions are well aware of the rules and regulations concerning this issue and abide by it. The LO-TCO Secretariat has not instructed its partners in the partner countries to regularly make major procurements. The LO-TCO Secretariat has no written routines for procurement as goods and services have seldom been procured on these economic levels.

The LO-TCO Secretariat is responsible for the procurement of consultants for evaluations. The selection of consultant is done in close co-operation with the responsible organizations and, where appropriate, the GUFs, who are responsible for communication with the co-operating organizations involved.

As is already mentioned in sub-section 5.8 the LO-TCO Secretariat's agreements with next-level organizations do not include conditions on systems for procurement. However, the Swedish trade unions have documented systems and routines for procurement. Also the GUFs are aware of the benefits from competitive tendering. As a principle three tenderers are invited or prices from three providers are compared before a decision is made to procure goods and services.

5.9.2 Conclusions and recommendations

The LO-TCO Secretariat, the GUFs and the Swedish trade unions are aware of Sida's procurement regulations and abide by it. The LO-TCO Secretariat's agreements with next-level organizations do not include conditions on systems for procurement.

The Audit Team recommends that

- The LO-TCO Secretariat should continue its efforts to increase the compliance with the agreements with Sida.

6. Aid effectiveness

6.1 Observations and analysis

According to the ToR the findings shall briefly and on a general level be related to key aspects of the aid effectiveness agenda, i.e. to what extent the LO-TCO Secretariat's systems for management and control provides for harmonisation with other CSO donors, local ownership, alignment with local systems and core funding.

In August 2007 the LO-TCO Secretariat drafted a position paper on "A Trade Union Perspective of the Paris Declaration". The position paper deals with two main issues: Firstly how the Declaration will influence trade union development co-operation and the role the movement should assume in development co-operation in general. Secondly, how the trade union movement can make use of the ideas and indicators in the Paris Declaration to develop coordination and harmonisation amongst the various actors.

This paper was used as an input to ITUC's position paper on the Paris Declaration "Putting Decent work at the Heart of Sustainable Development Effectiveness". Among other things it argues for the long-standing strategy of inclusive and participative co-operation and tripartite co-decision in the ILO framework to serve as a model for further tri-lateral mechanisms of governance for Development Effectiveness. The ITUC was part of the CSO International Steering Group for both the Accra Aid Effectiveness HLF and the Doha Financing for Development Conference. In its statement to the Accra High Level Process ITUC states that Governments have a central role to fulfil in promoting democratic ownership by creating an enabling environment for citizens' organization and participation.

LO-TCO Secretariat has even before the Paris Declaration initiated internal discussions with like-minded organizations on harmonisation. Where possible the LO-TCO Secretariat has harmonised the requirements in the Nordic-Dutch Guidelines that has been mentioned earlier in the report. Thus, the LO-TCO Secretariat has developed systems for management and control that provides for harmonization.

Each year the LO-TCO Secretariat meets with like-minded organizations in the Scandinavian countries, the Netherlands and Germany to harmonize the development co-operation. However, to some extent, the funding organizations apply different criteria and conditions for financial support. For example ITUC has funding from some 25 donors, most of them with different formats and standards. It is a complex process to provide all of them with individual consolidated budget proposals and reports. Thus, ITUC has initiated a process financed by EU-funding in order to harmonize the international development co-operation.

Ownership is already rather strong due to several mechanisms:

- the planning procedures where field organizations are directly

- involved in prioritizing and designing projects and activities
- the selection of regional project co-ordinators, who usually have a background in the regional or local trade unions, thus having a good knowledge of the context.

Effectiveness is also step by step being strengthened by the efforts to introduce “programme thinking”. This means that several actors coordinate their efforts in a country or a region or on a common theme. The systematic work to introduce more of RBM could also be assumed to strengthen effectiveness.

The Audit Team has been informed that in cases where several potential funding organizations are approached for one and the same project, this is openly discussed between all concerned. Duplication is avoided.

The principle of alignment raises some problems. Ideally, of course, and in line with the Paris Declaration, funds should be handled more directly through the field organizations. This however seems to be somewhat risky due to the corruption risks, which are associated with the weak financial management systems in some of the supported countries.

6.2 Conclusions and recommendations

As already stated in sub-section 3.2.2 it is a strength that the LO-TCO Secretariat uses the established national and international structures for the development co-operation. The use of established structures increases sustainability and is in line with the Paris declaration and the Accra action plan.

The Audit Team recommends that

- Intensified support should be given to actors to pool activities in programmes, both among “providers” and among “recipients”.

Annex 1.

Terms of Reference

0. Background

Sida gives high priority to efficiency and quality assurance in its development cooperation. Within the framework of its responsibility to exercise controls, Sida has the assignment of following up that development cooperation funds are used efficiently for intended purposes, regardless of how the funds are channelled. Sida's basic approach in respect of ownership of contributions implies that its development cooperation partners are responsible for the implementation of contributions, and thus that partners also have the responsibility for exercising control of its operations.

To enable Sida to follow up whether the frame organisations are able to fulfil their contractual obligations vis-à-vis Sida, Sida has decided to make regular systems-based audits of the organisations with which Sida has framework agreements on grants from the appropriation for CSOs.

A systems-based audit has the aim of analysing whether the organisations' internal management and control systems guarantee the quality and accuracy of their documentation and, at an overall level, of evaluating whether the organisations have appropriate systems and routines for managing their organisations towards operational goals and contributing to the fulfilment of the goals of Swedish development cooperation. The ambition is to achieve better quality in applications, reporting and follow-up of performance, greater efficiency in the organisations, and better cooperation between the organisations and Sida. Important documents for Sida in its assessment of the activities of frame organisations are their documentation in the form of mandate, regulations, orders of delegation, operational plans, applications, reports, annual accounts etc.

A system-based audit of the LO-TCO Secretariat for International Trade Union Development Cooperation (hereinafter referred to as the 'LO-TCO Secretariat') has been proposed to be carried out during 2009.

The LO-TCO Secretariat was formed in 1976 and became a non-profit organisation in 1989. The Secretariat is a joint association of the Swedish Trade Union Confederation (Landsorganisationen) and the Swedish Confederation of Professional Employees (Tjänstemännens Centralorganisation) with their respective affiliated national trade union federations, with a total of roughly 3 million members. The international development cooperation is organised within the framework of the

International Trade Union Confederation (ITUC) and its associated Global Union Federations (GUFs). Development cooperation in Eastern Europe is bilateral, involving Swedish trade union federations and their sister organisations in the countries of cooperation. A systems-

based audit was commissioned by Sida in 2001, and has since then made up a useful framework for the LO-TCO Secretariat's development of its policy structure and systems, as well as for Sida's assessment of and dialogue with the LO-TCO Secretariat. For 2009, the Secretariat was granted a total of 121 552 055 SEK by Sida from the NGO appropriation and the appropriation for reform cooperation in Eastern Europe.

1. Aim

The aim of the system-based audit is

- to examine the reliability and relevance of the systems for operational and financial control that exist in the LO-TCO Secretariat, and to assess to what extent that the systems are adhered to and implemented on all levels within the organisation,
- to determine, on the basis of the examination, whether the documentation that is received by Sida under current agreements reflects the real situation, and can therefore be considered to function as reliable data for Sida in the assessment processes,
- to assess if the LO-TCO Secretariat meets Sida's terms and conditions, as well as assess if their control system secure that the partners also comply with these regulations,
- to provide inputs to the LO-TCO Secretariat's processes of change and systems development.

2. The Assignment

The system-based audit should primarily focus on an analysis of the organisation's internal operational and financial management control systems in order to determine whether these can guarantee the quality and accuracy in the entire organisational chain. On a more general level, it should assess the LO-TCO Secretariat's organisational structure and the relevance and dimensioning of this structure in relation to its functions and duties and whether the organisation has the competence, capacity and routines to be able to direct its operations towards its own goals and to contribute to the fulfilment of the over-arching development cooperation goals. It should also assess the internal communication mechanisms through the whole organisation chain.

The audit shall further include an analysis of the organisation's compliance with Sida's Agreements to determine whether the Sida funds have been used for intended purposes stipulated in the agreements etc.

A comprehensive assessment of the LO-TCO Secretariat's cooperation with Swedish member federations and international federations (GUFs) shall also be included in relevant parts in the audit. The assignment shall therefore include visits to a limited number of selected Swedish federations and GUFs.

The assignment includes a survey in which routines and systems for operational and financial management and control are documented and analysed. In addition to this, the consultant shall submit recommendations in respect of improvements of the operational management and control at the LO-TCO Secretariat. The consultant can, after obtaining Sida's agreement, also include or exclude certain aspects in order to guarantee a feasible and qualitative study.

2.1 Mapping and Documentation

2.1.1 Organisational structure

Together with an overall presentation of the organisational structure of the organisation, the following shall be documented:

Vision, mission statement, goals, policies (e.g. gender, environment and HIV/AIDS), and activity plans,

Mandate and role of the governing board vis-à-vis office (professionals) and the international trade union structure,

Decision-making mandate and delegation procedures through the whole organisation chain,

Results-based management including the use of the activity plan, and results reports as guiding instruments.

2.1.2 Management of operations

In the mapping of systems and routines for operational planning, monitoring and evaluation, the following systems and criteria shall be documented, with regard to relevance and implementation all through the organisation:

- Formulation of goals (Are there clearly formulated and realistic objectives and goals in place in the organisation's operational planning?),
- Criteria and procedures for selection, assessment and follow-up of projects and programmes,
- Involvement and ownership of partners and target groups in planning, monitoring and evaluation of projects or programmes,
- Systems for planning, monitoring, evaluation and measuring of results (Are the programmes designed in such a way that the results are measurable?),
- Systems for reporting progress and results, and for reporting on deviation from plans (narrative as well as financial) in a timely manner,
- Systems for risk assessment and risk management,
- Exit strategies with regard to sustainability of partner organisations as well as to projects and programmes.

2.1.3 Financial management and control

In the survey of systems and routines for financial management and control, the following shall be documented in a way which focuses on the LO-TCO Secretariat but consistently includes the complete chain of cooperation (Swedish member federations as well as GUFs at central and regional level):

- Financial reporting system,
- Authorisations,
- Transfers of funds and bank and cash holdings,
- Budgeting processes,
- Audits in all parts of the organisation, quality of audit certificates,
- Project management systems and chart of accounts,
- Promotion of good administration, transparency in the administration of funds, and counteraction of corruption,
- Compliance with Agreements,
- Systems and routines for procurement

2.1.4 Aid effectiveness

The findings shall briefly and on a general level be related to key aspects of the aid effectiveness agenda, i.e. to what extent the LO-TCO Secretariat's systems for management and control provides for harmonisation with other CSO donors, local ownership, alignment with local systems and core funding.

2.2 Recommendations

The assignment shall result in recommendations on the abovementioned issues in order of priority. In addition to this, the consultant is free to include recommendations that can be considered to be of relevance for promoting the aim of the system-based audit.

3. Method

A consultant with a framework agreement with Sida for system-based audits will, upon presentation of tender, be called-off in competition to perform the audit.

The consultant shall have the support of relevant contact persons at Sida, and relevant staff at the LO-TCO Secretariat (to be further defined at the initial meeting, see below).

The assignment shall be performed through studies of documentation, which should be made available first and foremost at the LO-TCO Secretariat and Sida, and relevant documentation with LO-TCO Secretariat partners, which will involve field visits. In addition interviews shall also be conducted with staff at different organisational levels in the chain (Swedish member federations and GUFs), as well as with relevant staff at Sida and the LO-TCO Secretariat's auditor.

All other aspects relating to the definition of methods for the implementation of the assignment are the responsibility of the consultant.

4. Time Schedule

The objective is that work shall begin no later than 2009-05-01 and that the final report shall be submitted to Sida preferably no later than 2009-09-01, bearing in mind that the implementation period coincides with the holiday season in Europe.

5. Contacts and Reporting

5.1 Contacts

In order to ensure that the report, as far as possible, constitutes a satisfactory basis for improvement, the following contacts shall take place with LO-TCO Secretariat and Sida:

- As a point of departure for the assignment, Sida shall organise a meeting between the consultant, Sida and the LO-TCO Secretariat to discuss the method and time-frame for the assignment, whereupon the consultant shall present an inception report within one week for Sida's approval. The inception report shall include a detailed plan for the audit and the chosen method.
- Before submitting the final report, the consultant shall organise a meeting with representatives from the LO-TCO Secretariat and Sida to present tentative findings and conclusions and also enable a discussion on any problems during the implementation of the assignment .

At the request of LO-TCO or Sida, the consultant shall make her/himself available for discussions of recommendations and conclusions.

For Sida's human resource development purposes, it shall be possible for personnel from Sida to participate in the work of the audit, including participating in visits.

5.2 Reporting Routines

The assignment shall be presented in a written report and submitted to Sida in electronic form.

A draft report shall be submitted to Sida and the LO-TCO Secretariat no later than 2009-08-10, so as to make it possible for the LO-TCO Secretariat to comment on any factual errors and misunderstandings, and for Sida to assess if the draft has reached an acceptable standard. Comments shall be submitted to the consultant within one week, whereupon the final report shall be submitted to Sida. The report should result in clear recommendations that are presented in order of perceived priority by the consultants.

5.3 Format and Disposition of the Final Report

The disposition of the final report shall mainly follow the terms of reference, point 2.1 The report shall be written in English and not exceed 50 pages, excluding appendices. It shall depart from the following headings:

- Observations,
- Analysis,
- Conclusions,
- Recommendations.

The final report must be presented in a way that enables publication without further editing, which includes having been proof read. Sida shall also have access to the report in electronic form. One copy should be sent to Lotta Sandö (lotta.sando@sida.se), focal point for audit issues.

5.4 Presentation/debriefing

As part of the assignment, the consultant shall organise a presentation of the final results at a joint seminar with representatives from the LO-TCO Secretariat and Sida.

6. Specification of requirements

1. Tenderers shall specify the leader of the assignment,
2. Tenderers shall specify the level of knowledge that is offered in Swedish and English in speech and writing and in other languages for the personnel/sub-consultants allocated to the assignment,
3. Tenderers shall specify the total cost of the assignment in the form of an hourly fee for each category of personnel and any other reimbursable costs for the part of the assignment carried out in Sweden. A weekly fee for each category of personnel and any other reimbursable costs for the part of the assignment carried out abroad shall also be specified. All types of costs shall be given in SEK, excluding VAT.
4. Tenderers shall submit a time schedule for the assignment.

Annex 2.

Validation Matrix LO-TCO Secretariat

Assignment element	Documentation	Verification method
A. Organizational Structure		
<ul style="list-style-type: none"> • Vision, mission statement, goals, policies (e.g. gender, environment; HIV/AIDS) and activity plans 	<p>LO-TCO Secretariat's identity as expressed in its Statutes, Mission Statement and subsequent Strategic Plan and programmes and activities.</p> <p>Protocols from Annual Meetings and Board meetings.</p>	<p>Interviews with LO-TCO Secretariat Chair of the Board, a sample of four other members of LO-TCO Secretariat Board and the Senior Management Team at the LO-TCO Secretariat</p> <p>Check identity, objectives, mission and vision against programmes and activities financed and implemented.</p>
<ul style="list-style-type: none"> • Mandate and role of the governing board vis-à-vis office (professionals) and the international trade union structure 	<p>LO-TCO Secretariat's Organizational and management structure as described in founding documents, Statutes and operational manuals.</p> <p>Interviews with LO-TCO Secretariat Chair of the Board, a sample of four other members of LO-TCO Secretariat Board and the Senior Management Team at the LO-TCO Secretariat</p> <p>Interviews with representatives of LO-TCO Secretariat's Project Responsible Organisations (Swedish Federations and GUFs) and their Partner Organisations in all regions (incl. field visit)</p>	<p>Assess the institutional set-up including relations and communication between the staff and the Board.</p> <p>Assess the congruency between organizational and management structure objectives and stated responsibilities against actual performance with management and programme coordinators, officers and field-workers.</p> <p>Assessment of LO-TCO Secretariat mandate vis-à-vis the international structure.</p>
<ul style="list-style-type: none"> • Decision-making mandate and delegation procedures through the whole organization chain 	<p>Organizational structure, job descriptions and profiles, decision-making channels and vertical and horizontal hierarchies lines of responsibility and supervision. Code of Conduct both in terms of internal and external appeals.</p> <p>Project implementation planning documents and work methods and manuals (or policy briefs) concerned with priority setting and target group selection.</p> <p>Interviews with LO-TCO Secretariat Chair of the Board, a sample of four other members of LO-TCO Secretariat Board and the Senior Management Team at the LO-TCO Secretariat</p>	<p>Interviews with LO-TCO Secretariat Chair of the Board, a sample of four other members of LO-TCO Secretariat Board, the Senior Management Team and the staff at the LO-TCO Secretariat by asking them to explain routines, lines of communication and hierarchy, supervision, annual and periodic performance reviews and personnel evaluations.</p> <p>Interviews with representatives of LO-TCO Secretariat's Project Responsible Organisations (Swedish Federations and GUFs) and their Partner Organisations in all regions (incl. field visit) by asking them to explain routines, lines of communication and hierarchy, supervision, annual and periodic performance reviews and personnel evaluations.</p> <p>Interviews with beneficiaries by asking them to explain how they are involved in the decision making processes and their assessment on the results of the involvement.</p> <p>Check documents against actual implementation scenarios and interviews with target groups to verify whether targeting policies are implemented as stated.</p>

<ul style="list-style-type: none"> • Resultsbased management including the use of the activity plan, and results reports as a guiding instrument 	<p>Decision-making channels and procedures (vertical and horizontal), lines of responsibility and supervision.</p> <p>Manuals or Guidelines on RBM methodology (LFA)</p> <p>Activity Plans</p> <p>Narrative Reports</p>	<p>Interviews with LO-TCO Secretariat Chair of the Board, a sample of four other members of LO-TCO Secretariat Board, the Senior Management Team and the staff at the LO-TCO Secretariat by asking them to explain how results based management is practiced in the whole organizational chain, use of the activity plan; and results reports as a guiding instrument.</p> <p>Interviews with representatives of LO-TCO Secretariat's Project Responsible Organisations (Swedish Federations and GUFs) and their Partner Organisations in all regions (incl. field visit) by asking them to explain how results based management is practiced in the whole organizational chain, use of the activity plan; and results reports as a guiding instrument.</p> <p>Assess to what extent the active plans and the supported projects relate to the objectives for the programmes.</p>
<p>B. Management of operations</p> <ul style="list-style-type: none"> • Formulation of goals. Are there clearly formulated (realistic) objectives and goals in place in the organization's operational planning 	<p>Documented methodology on the formulation of goals for results (output, outcome and impact) in lieu of stated objectives.</p> <p>Goals formulated in strategic plans, budgets, project proposals and other steering documents.</p>	<p>Conduct interviews with management and other staff for verification of documentation.</p> <p>Interviews with representatives of LO-TCO Secretariat's Project Responsible Organisations (Swedish Federations and GUFs) and their Partner Organisations in all regions (incl. field visit)</p> <p>Assess to what extent the goals relate to the objectives for the LO-TCO Secretariat programmes</p> <p>Assess to what extent the goals are known within LO-TCO Secretariat and among partners. Assess the relevance of the goals. Check whether such issues have been raised by Sida and whether LO-TCO Secretariat has responded to them.</p>
<ul style="list-style-type: none"> • Criteria and procedures for selection, assessment and follow-up of projects and programmes. 	<p>Documented criteria for organizational and contribution assessment, i. e. how LO-TCO Secretariat assesses partner organizations and their proposed activities</p>	<p>Interviews with LO-TCO Secretariat Chair of the Board, a sample of four other members of LO-TCO Secretariat Board and the Senior Management Team at the LO-TCO Secretariat</p> <p>Interviews with representatives of LO-TCO Secretariat's Project Responsible Organisations (Swedish Federations and GUFs) and their Partner Organisations in all regions (incl. field visit)</p> <p>Check existing documents against actual implementation.</p> <p>Verify by interviewing managers and staff, whether such documents exist or not and how they are used.</p>

<ul style="list-style-type: none"> • Involvement and ownership of partners and target groups in planning, monitoring and evaluation of projects/programmes 	<p>LO-TCO Secretariat Strategic Plan.</p> <p>Programmes and activities documents, including annual planning of activities (charts and annual work plans), monitoring methods and reporting schedules and quality. Donor relations in respect to narrative and financial reporting routines and meeting deadlines. Internal financial system and transaction controls and instruments, including management manuals, orders, voucher payrolls, internal audit manuals, periodic and regular functions.</p> <p>Interviews with LO-TCO Secretariat Chair of the Board, a sample of four other members of LO-TCO Secretariat Board, the Senior Management Team and the staff at the LO-TCO Secretariat</p> <p>Interviews with representatives of LO-TCO Secretariat's Project Responsible Organisations (Swedish Federations and GUFs) and their Partner Organisations in all regions (incl. field visit)</p>	<p>Check identification and planning of activities, with special regards to needs analysis, priority setting and selection of target groups</p> <p>Check stated procedure and control mechanisms against actual performance, assess potential loopholes, mis-haps and shortcomings emanating from performing skills with meager capacity or knowledge.</p> <p>Assess the capacity in strengthening partners in general and specifically the capacity to conduct development cooperation projects relevant to the strategy and guidelines for the NGO appropriation.</p>
<ul style="list-style-type: none"> • Systems for planning, monitoring, evaluation and measuring of results (Are the programmes designed in such a way that the results are measurable?) 	<p>Documented methodology on the measurement of results (output, outcome and impact) in lieu of stated objectives.</p> <p>Documented internal input-output in respect to meeting targets, effectiveness, mid-term reviews and correction follow-up procedures.</p> <p>M&E methodology, framework and instruments (manuals) and other documents on M&E procedures.</p> <p>Monitoring reports, internal assessment reports and documents.</p> <p>Protocols from Annual Meetings and the Board.</p>	<p>Conduct interviews with management and other staff for verification of documentation.</p> <p>Interviews with representatives of LO-TCO Secretariat's Project Responsible Organisations (Swedish Federations and GUFs) and their Partner Organisations in all regions (incl. field visit)</p> <p>Interviews with Sida staff.</p> <p>Assess the relevance of the result measurement.</p> <p>Assess to what extent the measured results are known within LO-TCO Secretariat and among partners.</p> <p>Assess the links between the results and the goals (incl. indicators).</p> <p>Assess on what level results are measured and reported (only outputs or also outcome and impact)</p> <p>Check whether such issues have been raised by Sida and whether LO-TCO Secretariat has responded to them.</p>

<ul style="list-style-type: none"> • Systems for reporting progress and results, and for reporting on deviation from plans (narrative as well as financial) in a timely manner 	<p>Formal LO-TCO Secretariat (de jure) reporting system.</p> <p>Applied LO-TCO Secretariat (de facto) reporting system.</p> <p>Programme management and monitoring methodology documents (instruments as well) and interviews on procedures and on documented evidence.</p> <p>Instructions for deviation reports and final reports.</p> <p>Deviation reports.</p> <p>Final reports.</p> <p>Interviews with LO-TCO Secretariat Chair of the Board, a sample of four other members of LO-TCO Secretariat Board, the Senior Management Team and the staff at the LO-TCO Secretariat</p> <p>Interviews with representatives of LO-TCO Secretariat's Project Responsible Organisations (Swedish Federations and GUFs) and their Partner Organisations in all regions (incl. field visit)</p>	<p>Check whether such documents exist, verify whether implemented and their quality in respect to the level of expectations against which the organizations are measured.</p> <p>Assess on what level results are measured and reported (only outputs or also outcome and impact)</p> <p>Assess how reporting (oral and/or written reports) are used for institutional learning.</p> <p>Interviews with Sida staff.</p> <p>Examine coherence between LO-TCO Secretariat systems and Sida reporting requirements as stated in agreement.</p>
<ul style="list-style-type: none"> • Systems for risk assessment and risk management 	<p>Documented Risk assessment methodology used by LO-TCO Secretariat for assessing risk.</p> <p>Documented risk assessments exercises and reports.</p>	<p>Check whether risk assessments have been carried out in line with the established methodology.</p>
<ul style="list-style-type: none"> • Exit strategies with regard to sustainability of partner organizations as well as to projects and programmes 	<p>Documented policy for phasing out and initiating projects and partnerships</p>	<p>Verify by interviewing managers and staff, whether such documents exist or not and how they are used.</p>
C. Financial Management and Control		
<ul style="list-style-type: none"> • Financial reporting system 	<p>LO-TCO Secretariat manual for financial reporting</p> <p>Annual Audit</p> <p>General conditions for grants from Sida's appropriation for Swedish NGOs,</p> <p>Guidelines for Sida's support from the appropriation for NGOs,</p> <p>Guidelines for Sida grants to non-governmental organizations for humanitarian projects,</p> <p>Sida's cooperation agreements with LO-TCO Secretariat including sub-agreements</p>	<p>Checking manual against conditions and guidelines</p> <p>Interviews with LO-TCO Secretariat Senior Management Team and staff at the Finance Department</p> <p>Interviews with representatives of LO-TCO Secretariat's Project Responsible Organisations (Swedish Federations and GUFs) and their Partner Organisations in all regions (incl. field visit)</p> <p>Interviews with Sida staff.</p> <p>Interview with LO-TCO Secretariat Auditors</p> <p>For more details please refer to our detailed verification matrix for Compliance Audits as part of system-based audits</p>
<p>Authorizations</p>	<p>Data/information on regulation re. authorization</p>	<p>Assess LO-TCO Secretariat application of formalized routines through interviews and study of internal documents.</p>

<ul style="list-style-type: none"> • Transfer of funds and bank and cash holdings 	<p>Existing regulation re. transfers.</p> <p>Policy on anti-corruption measures.</p> <p>Bank accounts</p> <p>Bank books</p> <p>Interest/petty cash book</p> <p>Bank reconciliation statements</p>	<p>Assess LO-TCO Secretariat application of formalized routines, interviews with auditors, and study of audits.</p> <p>Examine whether regulations for bank and cash holdings are properly followed</p>
<ul style="list-style-type: none"> • Budgeting processes 	<p>Budget manual and formalized procedures for budgeting and follow up.</p> <p>Examples of actual budgets and follow up reports (annual, general, more specific).</p> <p>Accounting regulations</p> <p>Accounting software</p> <p>Policy for direct and indirect costs</p> <p>Other written regulations</p> <p>Project report as per donor's financial guidelines</p> <p>Reports on cash flow</p> <p>Financial position and expenses summary</p> <p>Consolidated financial reports for projects that span over one year</p>	<p>Interviews with LO-TCO Secretariat Chair of the Board, a sample of four other members of LO-TCO Secretariat Board, the Senior Management Team and the staff at the LO-TCO Secretariat</p> <p>Interviews with representatives of LO-TCO Secretariat's Project Responsible Organisations (Swedish Federations and GUFs) and their Partner Organisations in all regions (incl. field visit)</p> <p>Interviews with Sida staff</p> <p>Assess consistency with Sida requirements.</p> <p>Assess consistency with stipulated procedures.</p> <p>Assess if proper accounting records are maintained</p> <p>Assess if applicable accounting standards are followed</p> <p>Assess if suitable accounting policies are used and consistently applied</p> <p>Assess if the financial statements are prepared</p> <p>Assess quality by benchmarking in relation to international standards</p>
<ul style="list-style-type: none"> • Audits in all parts of the organization, quality of audit certificates 	<p>Audit strategies and plans.</p> <p>Data/information on division and distribution of responsibilities between auditors in all stages of the organisational chain.</p> <p>Audit certificates for a series of years.</p> <p>Management financial report for the external auditors.</p> <p>Management letters</p>	<p>Assess quality of procedures for audit strategies and plans by benchmarking in relation to international standards</p> <p>Interview with auditors to identify gaps and overlapping responsibilities.</p> <p>Interview with LO-TCO Secretariat auditors and members of the Board.</p> <p>Interviews with LO-TCO Secretariat Chair of the Board, a sample of four other members of LO-TCO Secretariat Board and the Senior Management Team at the LO-TCO Secretariat</p> <p>Assess quality of auditors certificates by benchmarking in relation to international standards</p>

<ul style="list-style-type: none"> • Project management systems and chart of accounts 	<p>Project management policies</p> <p>LO-TCO Secretariat's chart of accounts</p> <p>Audit reports</p> <p>Management Letters</p>	<p>Interviews with senior management, financial managers, controllers and internal audit unit.</p> <p>Interviews with representatives of LO-TCO Secretariat's Project Responsible Organisations (Swedish Federations and GUFs) and their Partner Organisations in all regions (incl. field visit)</p> <p>Assess quality of available policies and chart of accounts</p>
<ul style="list-style-type: none"> • Promotion of good administration, transparency in the administration of funds and counteraction of corruption 	<p>Documentation of financial management system controls and instruments (manuals, handbooks and procedures), types of documents covering various financial system control procedures as described under this sub-theme.</p> <p>Financial accounting controls and procedures.</p> <p>Policies (written or others) in related fields.</p> <p>Policy documents and manuals on procurement and handbooks on tendering procedures.</p> <p>Fixed Assets Register</p> <p>Interviews with senior management, financial managers, controllers and internal audit unit.</p> <p>Audit reports</p> <p>Management Letters</p>	<p>Application of common financial management/system control verification methods, including verification of transaction and financial chain follow-up procedures for all the items mentioned under the heading.</p> <p>Interviews with representatives of LO-TCO Secretariat's Project Responsible Organisations (Swedish Federations and GUFs) and their Partner Organisations in all regions (incl. field visit)</p> <p>Interviews with local stakeholders on risks and experience of measures against corruption.</p> <p>Check procurement and tendering documents and longitudinal files and procedures against tenders and instruments for compliance, conduct interviews with internal auditors, financial department heads and controllers within LO-TCO Secretariat in order to gain insight from recent reports by subsequent auditing firms.</p>
<ul style="list-style-type: none"> • Compliance with Agreements 	<p>Sida's cooperation agreements with LO-TCO Secretariat including sub-agreements</p> <p>General conditions for grants from Sida's appropriation for Swedish NGOs,</p> <p>Guidelines for Sida's support from the appropriation for NGOs,</p> <p>Guidelines for Sida grants to non-governmental organizations for humanitarian projects,</p>	<p>For details please refer to our detailed verification matrix for Compliance Audits as part of system-based audits</p>

<ul style="list-style-type: none"> • Systems and routines for procurement 	<p>LO-TCO Secretariat procurement policy</p> <p>Audit reports</p> <p>Management Letters</p> <p>Interviews with the Senior Management Team and the staff at the LO-TCO Secretariat</p> <p>Interviews with representatives of LO-TCO Secretariat's Project Responsible Organisations (Swedish Federations and GUFs) and their Partner Organisations in all regions (incl. field visit)</p>	<p>Assessment whether the LO-TCO Secretariat policy is in compliance with the agreement with Sida and internationally accepted principles and good procurement practices.</p>
D. Aid effectiveness		
<ul style="list-style-type: none"> • The findings shall briefly and on a general level be related to key aspects of the aid effectiveness agenda, i.e. to what extent LO-TCO Secretariat systems for management and control provides for harmonisation with other CSO donors, local ownership, alignment with local systems and core funding. 	<p>LO-TCO Secretariat systems for management and control</p> <p>The Paris Declaration on Harmonization and Alignment</p> <p>The Accra Plan of Action</p> <p>Interviews with senior management at LO-TCO Secretariat</p>	<p>Assessment of to what extent LO-TCO Secretariat systems for management and control provides for harmonisation with other CSO donors, local ownership, alignment with local systems and core funding.</p>

Annex 3.

Persons Interviewed and Consulted

1. LO-TCO Secretariat

1.1 The Board

Peter Hellberg, President of the LO-TCO Secretariat
Ella Niia, Vice-President of the LO-TCO Secretariat
Helena Johansson, Member of the Board
Keth Thapper, Member of the Board
Paula Engwall, Member of the Board
Christer Wälivaara, Substitute
Lars Bengtsson, Substitute

1.2 The Staff

Torbjörn Strandberg, Kanslichef
Robert Eriksson, Ekonomiansvarig
Ingalill Gherbi, Avdelningssekreterare
Solveig Wickman, Regionansvarig Afrika
Nina Larrea, Regionansvarig Latinamerika, Karibien
Monica Hallberg, Regionansvarig Asien
Patrik Bergvall, Regionansvarig Central- och Sydeuropa, samt Centralasien
Veronika Ryd, Metodutvecklings- och kvalitetssäkringsansvarig
Åsa Svensson, Metodutvecklings- och kvalitetssäkringsansvarig
Marie Ende, Informatör
Peter Jansson, Projektansvarig PanAf - programmet (LO och TCO)
Eva Hjul, Projektansvarig Laour Law, programmet (LO och TCO)
Alex Nicolau Garcia, Assisterande jurist Labour Law (LO och TCO)
Bodil Ludvigsson, Ekonomiassistent
Mats Hammarlund, Regionadministratör Asien och Latinamerika, Karibien
Tony Nilsson, Regionadministratör Central-Sydeuropa, Centralasien och Afrika
Margareta Gadefelt, Informationsassistent
Karin Lindström, Webbredaktör och informatör

1.3 The Auditors

Håkan Arnelid, LO (to 2009)
Bo Abrahamsson, LO (from 2009)
Nelson de Macedo, TCO
Åke Danielsson, Authorized auditor, Öhrlings Pricewaterhouse
Coopers AB

2. Sida

Lena Ingelstam, Head of Team Civil Society
 Carl-Johan Smedeby, Programme Officer
 Johan Norqvist, Programme Officer

3. IF Metall

Erland Lindkvist, Head International Department
 Elisabet Svensson Oliveira, International Department
 Henrik Nilsson, International Department
 Gunilla Gustavsson, Ekonomienheten
 Birgit Birgersson Brorsson, Internationell sekreterare

4. Lärarförbundet

Paula Engwall
 Anders Åhlin

5. ST

Karin Ström, International officer
 Joakim Bergman, Economist
 Karin Brunzell, International secretary
 Ilkka Pärssinen, International secretary, Deputy Secretary General of ST

6. IMF

Fernando Lopez, Assistant General Secretary
 Monique Surace, Finances and Administration
 Suzana Miller, Project Coordinator
 Daniel Godel, Finances and Administration

7. International Trade Union Confederation (ITUC)

Jaap Wienen, Deputy General Secretary
 Mamadou Diallo, Operational Project Management
 Jan Dereymaker, Development and Training, HIV/Aids Coordinator
 Olga Barth, Finance
 Anton Leppik, Pan-European Regional Council

8. ITGLWF

Neil Kearney, General Secretary
 Steve Grinter, Education Secretary, UK Office

9. ICEM

Fons (Kurt) Vannieuwenhuyse, Projects Officer
 Marie-France Stoykov, Finance and Administration Officer
 Joe Drexler, Director of Industry and Corporate Affairs, Mining Officer and Regional Contact for North America
 Dick Blin, Information, Campaigns and Pulp & Paper Officer
 Brian Kohler, Health, Safety and Sustainability Officer
 Kemal Özkan, Chemical and Rubber Industries Officer

10. TAMICO

Charles J. Mgushi, Education and Training Officer
 Stanley J Mlele, Finance and Administration Officer

11. TUICO

Boniface Nkakatisi, General Secretary
 Tamimu Salehe, Assistant General Secretary (Industrial sector)
 Hassan Chamzim, Assistant General Secretary (Service and Consultancy)
 Samwel Lyimo, Head of Education and Organisation Department
 Elias Mwakihaba, Organising Secretary
 Judith Kajula, Education Officer
 Lisungu Mapunda, Assistant Secretary (Commerce sector)

12. COTU

Monica M. Musau, Women Affairs Co-ordinator
 Noah Chanyisa Chune, Research Economist /Director of Education

13. ZATU

Rabia Nassor Majid - ZATU National Chairperson
 Othman Sharif Othman - ZATU National Treasurer
 Salim Ali Salim - ZATU Deputy General Secretary
 Daud Suleiman Daud - ZATU Project Coordinator
 Fatma Ali Mohd - Cashier cum Personal Secretary to General Secretary

14. TGLWF (Kenya):

William Muga Aketch, General Secretary, Tailors' and Textile Workers' Union
 Moses Oyugi, National Organising Secretary, Kenya Shoe, Leather and Allied Workers' Union
 Julius Maina, Deputy National Organising Secretary, Kenya Shoe, Leather and Allied Workers' Union
 Joseph James Kibera, Personnel and Administration Manager, C & P Shoe Industries Ltd.

15. Other Swedish Trade Unions

Leif Isaksson, LO
 Kristina Olsson, Kommunal
 Mikael Sterbäck, Pappers
 Géza Polónyi, Musikerförbundet
 Stina Josefsson, Handels

Annex 4.

Documentation of Materials Reviewed and Cited

1. LO-TCO Secretariat

1.1 Agreements

Agreement between the Swedish and Russian trade union movements on the orientation of trade union development cooperation in Russia, 2005-02-28

Avtal om rambidrag mellan Sida och LO-TCO Biståndsnämnd 2003-06-30 - 2008-06-30

Co-operation agreement with the Swedish trade unions (selected sample)

Förlängning av avtal om rambidrag mellan Sida och LO-TCO

Biståndsnämnd avseende perioden 2009-01 -01 till och med 2009-12-31

Mall för avtal med svenska förbund och globala fack

Other co-operation agreements (selected sample)

Underavtal med Sida för informationssamarbetet

Underavtal mellan Sida och LO-TCO biståndsnämnd om rambidrag för budgetåret 2009

1.2 Planning Documents

Allmänna villkor för genomförande av informationsprojekt

Allmänna villkor för genomförande av projekt i syd och öst 2007-2008

Biståndsnämndens interna bedömningsmall för projekt-/programbidrag (PM till styrelsen 2009-06-23)

Own Contribution (PM)

Projektavtalen 2009 (PM)

Strategi för IT-satsningar för organisationsutveckling i det svenska fackliga utvecklingssamarbetet

Vad är ett informationsprojekt? (PM)

1.3 Policies

A Trade Union Perspective of the Paris Declaration

Code of conduct for union representatives on international assignments, adopted by LO-TCO Secretariat's Board 1st of December, 2005.

De fackliga organisationernas arbetssätt för att påverka UD:s samarbetsstrategier.

Jämställdhetspolicy i det svenska fackliga utvecklingssamarbetet

Metod- & Kvalitetssäkringsprogrammet 2010-2012 (Förslag till styrelsens möte 2009-06-23)

Regelverk för LO-TCO Biståndsnämnds fackliga utvecklingssamarbete med stöd från Sida (pärm)

Riktlinjer för biståndsnämndens arbete med ungdomsfrågor

Riktlinjer för miljö/arbetsmiljö i det fackliga biståndet

Riktlinjer och handbok för informationsprojekt

Utvärderingsriktlinjer

Verksamhetspolicy

1.4 The Board and the Assembly

Protokoll från Styrelsemöte i LO-TCO Biståndsnämnd den 23 juni 2009, med handlingar

Protokoll fört vid LO-TCO Biståndsnämnds Föreningsstämma den 12 maj 2009, med handlingar

Andra protokoll (urval)

1.5 Guidelines and checklists

Annual report form

Blankett för Ansökan om bidrag 2010-12 för information om fackligt utvecklingssamarbete

Blankett för Ansökan om resereportagebidrag 2009 för information om fackligt utvecklingssamarbete

Blankett för Redovisning av bidrag för information om fackligt utvecklingssamarbete

Blankett för Redovisning av resereportagebidrag för information om fackligt utvecklingssamarbete

Budget application form

Budgeting Guide 2010

Check list for environmental assessment in project planning

Checklist for gender equality analysis

Checklist for HIV/Aids analysis

Classification of projects into thematic categories

Evaluation guidelines for the LO-TCO Secretariat of International Trade Union Development Cooperation, Adopted by the Board of the LO-TCO Secretariat (June 21, 2006)

Final report form

Format for 2010-12 Programme Application

Form: Request for transfer of funds for development projects

Guide for Project and Programme Application 2010-12

Guidelines: Conflict analysis

Guidelines developed by FNV the Netherlands, LO/FTF Denmark, LO-TCO Sweden, LO Norway and SASK Finland

Handbook of participatory project planning, part 1

Handbook of participatory project planning, part 2

Project application form

1.6 Evaluations

Biståndsnämndens "Management Response" till Context-utvärderingen: "Evaluation of Sida's support to the LO-TCO Secretariat of International Trade Union Development Cooperation", följebrev 2009-01-26 till åtgärdsplanen

Global trade union building in defence of workers' rights: Evaluation of Sida's support to the LO-TCO Secretariat of international trade union development cooperation, Final report, November 3, 2008, Frank Runchel, Agneta Gunnarsson, Jocke Nyberg, Context, INKA Consult, HN Consultants

Styrning och kontroll inom LO/TCO Biståndsnämnd, Systemrevision 2001:2, maj 2001

Uppföljning av åtgärdsplan avseende systemrevisionen, 2003-03-31

Åtgärdsplan avseende utvärderingen 2008

1.7 Proposals and Reports

Anslagsframställan till Sida 2007-2008

Anslagsframställan till Sida 2009

Ansökan om bidrag 2009 för information om fackligt utvecklingssamarbete (Svenska Byggnadsarbetarförbundet, Svenska Åkarförbundet, Svenska Elektrikerförbundet)

Co-operation Agreement between LO-TCO Secretariat for International Development Co-operation and International Textile, Garment & Leather Workers federation concerning project No 21134 Mongolia LO-TCO Biståndsnämnds program "Facket - en global förändrande kraft" för kommunikationsarbete i Sverige.

Programansökan för kommunikationsarbete i Sverige 2009: Schyst resande. Organisationsnamn: Hotell- och restaurangfacket

Programansökan för kommunikationsarbete i Sverige 2009: Tänk globalt, agera lokalt!. Organisationsnamn: Föreningen för Rättvisemärkt

Programansökan för nätverket Internationella Torget/Östersjötorget, år 2009

Rena Kläders programansökan för kommunikationsarbete i Sverige 2009

Verksamhetsberättelse 2007-2008 (pärm)

Årsredovisning 2008

1.8 Audit reports

Granskningsrapport för granskning av LO-TCO Biståndsnämnds ramavtal med Sida för 2007

Granskningsrapport för granskning av LO-TCO Biståndsnämnds ramavtal med Sida för 2008

Revisionsberättelser till föreningsstämman 2007, 2008 och 2009

Revisionsintyg för LO-TCO Biståndsnämnd 2007

Revisionsintyg för LO-TCO Biståndsnämnd 2008

Standard example of Auditor's report on the financial statements

1.9 Others

Arbetsbeskrivningar för personal vid kansliet

Arbetsordning

Firmateckning

Förslag till arbetsordning för styrelsen och instruktion för kanslichefen(Framtagen inom LO).

Partnership Workshop for Trade Union Development Cooperation Chain-From Back Donor to Local Trade Union.(2006-0721). Hauer Consulting.

Regler för kontroll av ekonomiska transaktioner

Stadgar

2. Sida

2.1 Assessment Memos

Assessment of LO-TCO secretariat's application for the 2007-2008 fiscal years, 2006-12-15

Assessment of LO-TCO secretariat's proposal for fiscal year 2009, 2008-12-18

Assessment of LO-TCO Secretariat's Proposal for fiscal year 2009-07-05

2.2 General Conditions and Guidelines

Allmänna villkor: Sidas bidrag till svenska enskilda organisationer, april 2003

Anvisningar för enskilda organisationers informationsarbete med bidrag från Sida, maj 2004

Anvisningar: För bidrag från anslagsposten enskilda organisationer, februari 2007

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Kodplan

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Biståndsnämnden: PM, beslut 2006

Biståndsnämnden: Projektbeskrivning 2009

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Annex 5.

Management Response on the Evaluation 2008

Åtgärdsplan	8.1 Mandate, Directions, Objectives And Methods
Recommendation 1:	1. The LO-TCO Secretariat's governing policy establishes a link between its work and the SEKA EO objectives of strengthening civil society and enabling poor people to improve their living conditions. The LO-TCO Secretariat and its partners should, however, develop a more focused approach and a broader, informed discussion – political, technical and organisational – about how support to trade unions in different sectors contributes to improvements for poor people; directly and indirectly, related to the different dimensions of the poverty concept etc. Numerous positive experiences and concrete examples are available at field level
Bedömning av rekommendation:	Relevant. Länken mellan de svenska biståndsmålen ska tydliggöras i våra instruktioner och i vårt stöd till våra samarbetsorganisationer i deras projekt- och programplanering. Detta ska uttryckligen ske i skrift, och vid utbildningstillfällen under våren samt vid behov tillsammans med enskilda förbund och/eller globala fack.
Åtgärdsbeskrivning:	Till nästa stämma kommer LO och TCO med förslag till förfining av målformuleringen i vår stadga i den riktning utvärderingen beskriver. Under året fortsätter arbetet med att utarbeta en ny verksamhetspolicy för LO-TCO Biståndsnämnd.
Åtgärdas av:	Styrelse och kanslichef.
Godkännes av:	Styrelsen
Slutfört (datum):	Stämma 12/5 samt under året.
Godkänd åtgärd:	

Åtgärdsplan	8.1 Mandate, directions, objectives and methods
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Recommendation 2:	<p>Quality assurance and services regarding technical issues are the core issues of the LO-TCO Secretariat's mandate. Therefore, the LO-TCO Secretariat should strengthen its work with development of methods regarding LFA planning, monitoring, gender analysis etc. and the provision of tailor-made capacity-building</p> <p>and other support to the Swedish trade unions and the global union federations (GUFs) regarding these issues. The LO-TCO Secretariat should also make sure that improved quality of project management results</p> <p>in improvement of programming and results.</p>
Bedömning av rekommendation:	Högsta relevans med hög prioritet. Resursförstärkning har skett på kansliet.
Åtgärdsbeskrivning:	Denna rekommendation inbegriper allt arbete som LO-TCO Biståndsnämnd utför för att öka kvaliteten i projekt och program, samt för att förbättra resultat- och effektrevisning. Stödet ska inte enbart bestå av anvisningar och regler, utan även av verktyg, redskap, metoder, utbildningar, dialog etc.
Åtgärdas av:	Kanslichef
Godkännes av:	Styrelse och kanslichef
Slutfört (datum):	Under 2009
Godkänd åtgärd:	

Åtgärdsplan	8.1 Mandate, directions, objectives and method
Recommendation 3:	A complete separation of technical and political aspects, as advocated by some stakeholders, will be difficult to achieve – unless the capacity of the Swedish unions is considerably strengthened and exceptionally frequent and close cooperation between the LO-TCO Secretariat and the trade unions is established. Good development cooperation is political – and political considerations cannot be allowed to be separated from technical aspects. The LO-TCO Secretariat should have the mandate to reject or refer projects back to Swedish unions or GUFs, when standards or quality of applications are considered inadequate.
Bedömning av rekommendation:	LO-TCO Biståndsnämnd har den rollen i rollen idag. Styrelsen är den beslutande instansen efter beredning av kansliet. Roll- och ansvarsfördelning inom LO-TCO Biståndsnämnd kan tydliggöras i samband med översyn av verksamhetspolicyn. Viktigt att detta inte leder till en "överbyråkratisering" av verksamheten.
Åtgärdsbeskrivning:	Resultat av arbetet som kommer av rekommendation 1 och 2.
Åtgärdas av:	Kanslichef
Godkännes av:	Styrelse och kanslichef
Slutfört (datum):	Under året 2009
Godkänd åtgärd	

Åtgärdsplan	8.1 Mandate, directions, objectives and methods
Recommendation 4:	One important learning point for LO-TCO is evaluation of programmes and projects – yet very few external evaluations have been undertaken and the quality of these has been unsatisfactory, according to the LO-TCO Secretariat and the GUFs. More evaluations of ongoing support should be carried out. The LOTCO Secretariat and its partners should develop its policy, methodology and capacity to prepare and manage external and internal evaluations.
Bedömning av rekommendation:	LO-TCO Biståndsnämnd har redan börjat med att stärka sin metodkunskap. Tydliga instruktioner och aktiviteter kommer att tillämpas för att garantera kvalitetssäkring på program-, projekt- och regional nivå under kommande fyraårsperiod. Planerade utvärderingsinsatser är en del i detta arbete samt att bättre ta tillvara våra partners egna utvärderingar. Bättre systematisk rapportering till Sida om utvärderingar som LO-TCO Biståndsnämnd drar lärdomar av och som genomförs av Globala fack eller andra TUSO:s (Trade union solidarity support organisations). The LO-TCO Secretariat has already commenced the reinforcement of the
Åtgärdsbeskrivning:	Förtydligande av verksamhetsplaner och utvärderingsplan.
Åtgärdas av:	Metodansvariga, regionansvariga.
Godkännes av:	Kanslichef
Slutfört (datum):	2009 och framgent
Godkänd åtgärd:	

Åtgärdsplan	8.1 Mandate, directions, objectives and methods
Recommendation 5:	The LO-TCO Secretariat's portfolio of projects and programmes – 210 in total, in some 70 countries – is a case for concern, due its wide scope and the large number of partners associated with it. The LO-TCO Secretariat and the Swedish unions should reduce the number of projects, thereby allowing closer follow-up of existing projects.
Bedömning av rekommendation:	Relevant. Detta bör vara vägledande i diskussioner om prioriteringar. Inte bara en teknisk fråga utan i högsta grad en politisk fråga. Synpunkterna ligger i linje med Parisagendans dagordning.
Åtgärdsbeskrivning:	Utvecklandet av en programstruktur kan vara ett verkningsfullt verktyg. De globala samordningsinitiativen är också relevanta.
Åtgärdas av:	Styrelse och samarbetspartners.
Godkännes av:	Styrelsen
Slutfört (datum):	Löpande process
Godkänd åtgärd:	

Åtgärdsplan	8.1 Mandate, directions, objectives and methods
Recommendation 6:	<p>The different thematic categories used by the LO-TCO Secretariat provide some overview but could be further refined, for example through using categories as well as mainstreaming issues, in order to make the general idea of the programme clearer. Since the categories are only used for applications to SEKA EO, their value is limited and this should be discussed with the relevant stakeholders: GUFs, Swedish trade unions etc.</p> <p>It is recommended that the LO-TCO Secretariat carries out a revision of the categorisation, probably in connection with the introduction of a programmatic approach.</p>
Bedömning av rekommendation:	Oklar relevans.
Åtgärdsbeskrivning:	<p>Problematiken ingår i vårt arbete att utveckla programformen. Våra interna kategorier får inte vara styrande för projektansökningarna. Med utgångspunkt i det svenska utvecklingsbiståndets prioriterade områden och projektens omvärlds-analyser ska LO-TCO Biståndsnämnd stödja utvecklandet av för den fackliga rörelsen relevanta program och projekt. Enligt LO-TCO Biståndsnämnds riktlinjer ska klassificeringen i tematiska kategorier först och främst ge styrelsen och kansliet en tematisk överblick över projekten. Denna överblick är viktig för en organisation som LO-TCO Biståndsnämnd, eftersom styrelsen – förutom genom de ramar stadgarna anger – inte styr inriktningarna i projekten. För att kunna presentera verksamheten på ett överskådligt sätt behöver vi således ett verktyg för att strukturera projekten och dess inriktningar, utan att för den skull styra verksamheten. Genom klassificeringen kan vi på ett systematiskt sätt utkristallisera vilka prioriteringar och inriktningar de globala facken och de svenska fackliga organisationerna har i sina projekt i respektive region.</p>
Åtgärdas av:	Metodansvariga.
Godkännes av:	Kanslichef
Slutfört (datum):	Löpande under året.
Godkänd åtgärd:	

Åtgärdsplan	8.1 Mandate, directions, objectives and methods
Recommendation 7:	<p>The special project coordination, which has been set up for five countries, needs some clarification and refinement in practice, regarding aims as well as contents. In cooperation with the Swedish unions and, when appropriate, the other trade union-donor organisations, the LO-TCO Secretariat should develop clearer objectives and work procedures for the special project coordination.</p>

Bedömning av rekommendation:	Koordineringsprojekten ingår i LO-TCO Biståndsnämnds arbete att utveckla olika former för samordning i syfte att förenkla och effektivisera det fackliga utvecklingsarbetet på olika nivåer. Resurssamordning och erfarenhetsutbyte är viktiga effekter av arbetet. Koordineringen är behovsstyrd och kan utvecklas och förändras.
Åtgärdsbeskrivning:	Koordineringen omprövas löpande.
Åtgärdas av:	Styrelsen
Godkännes av:	Styrelsen
Slutfört (datum):	Löpande
Godkänd åtgärd:	

Åtgärdsplan	8.2 The lo-tco secretariat and its partners
Recommendation 8:	Staff of the LO-TCO Secretariat agrees that considerable improvements regarding clarifications of mandate and roles have taken place since the system audit in 2001. Despite this, there are issues that were raised in the system audit that are still not resolved; for example the need for analyses of political and other developments in countries and regions, routines for follow-up of the projects and lessons learned from finalised and ongoing projects. The LO-TCO Secretariat should develop procedures regarding these issues.
Bedömning av rekommendation:	Otydliga rekommendationer – två olika ämnen i en rekommendation.
Åtgärdsbeskrivning:	Hur erfarenheter ska tas tillvara är relevant och bör ingå i det utvecklade kvalitetsarbetet. Det är de Globala fackens roll att analysera sin sektor i varje land. ITUC:s har rollen att analysera den fackliga situationen övergripande i varje land.
Åtgärdas av:	Metodansvariga
Godkännes av:	Kanslichef
Slutfört (datum):	Löpande
Godkänd åtgärd:	
Bedömning av rekommendation:	

Åtgärdsplan	8.2 The lo-tco secretariat and its partners
Recommendation 9:	All involved actors are aware of the importance of involving the informal sector in the cooperation and forging alliances between organised workers and, particularly, rural farmers. The LO-TCO Secretariat, other SSOs, the GUFs and the Swedish trade unions, however, need to proceed from words to deeds and come up with concrete strategies for further engagement in this area. The LO-TCO Secretariat and its partners need to discuss the successes, to map out ways to support informal sector workers, and engage more actively with their international and local partners to ensure that the overall poverty reduction and empowerment objectives are consistently followed.
Bedömning av rekommendation:	Viss relevans.
Åtgärdsbeskrivning:	LO-TCO Biståndsnämnds ägare fastställer själv den fackliga politiken och LO-TCO Biståndsnämnd fastställer själv sin verksamhetspolicy. Det finns idag ett utvecklat fackligt samarbete med syfte att organisera alla arbetare – den fackliga basuppgiften. LO-TCO Biståndsnämnd tar under våren fram en beskrivande skrift i ämnet.
Åtgärdas av:	Styrelsen
Godkännes av:	Styrelsen
Slutfört (datum):	Löpande
Godkänd åtgärd:	

Åtgärdsplan	8.2 The lo-tco secretariat and its partners
Recommendation 10:	In areas where there is an interest from consumers' organisations and NGOs promoting fair trade (such as the garment industry, cultivation of flower and banana production) the LO-TCO Secretariat and its partners should further strengthen the links with these organisations and make use of their lobbying and awareness-raising work in order to promote decent working conditions.
Bedömning av rekommendation:	Oklar relevans.
Åtgärdsbeskrivning:	LO-TCO Biståndsnämnd ger bidrag till Nätverken Rena Kläder och Schyst Resande samt till föreningen för Rättvisemärkt och dessutom till Byggnads arbete med Decent Work. Dessa samverkans- och opinionsbildande nätverk bygger på de fackliga grundstenarna om Decent work och kraven om bra arbetsvillkor är en grundstomme i detta arbete. Flera svenska förbund, förutom konsumentpåverkande NGOs och andra enskilda organisationer, ingår i dessa nätverk som också har internationella kopplingar och där det fackliga globala nätverket är involverat på olika sätt. LO-TCO Biståndsnämnd har nyligen gjort en kartläggning av fackliga kontaktytor med NGO:s i världen.
Åtgärdas av:	Löpande verksamhet

Godkännes av:	Styrelsen
Slutfört (datum):	Löpande
Godkänd åtgärd:	

Åtgärdsplan	8.3 Relevance
Recommendation 11:	<p>The long chain of stakeholders and the fact that many projects are scattered on dozens of locations and beneficiary unions mean that the knowledge about what goes on in one end of the partnership chain might be limited or non-existent in the other. This in turn implies that projects might be diverted from their original objectives at local level. In order to avoid this, the LO-TCO Secretariat and its partners should make sure that</p> <p>a) coordinators with knowledge and experience in project management are responsible for follow-up and reporting,</p> <p>b) staff at various levels of the partnership chain are trained and apply participatory planning, monitoring and evaluation of projects</p>
Bedömning av rekommendation:	Relevant
Åtgärdsbeskrivning:	Se punkt 2
Åtgärdas av:	Kanslichef, metodansvariga och regionansvariga.
Godkännes av:	Kanslichef
Slutfört (datum):	Löpande
Godkänd åtgärd:	

Åtgärdsplan	8.3 Relevance
Recommendation 12:	<p>Mixed relevance of study circles has been encountered during this evaluation. The method is found to work well in some contexts but seems to be less adequate for formal sector workers, (due to transportation and other practical problems). On some instances there are also question marks regarding the actual number of study circles taking place. The LO-TCO Secretariat should systematically collect experiences from the field in order to draw conclusions for the future application of the study circle method. Blueprint approaches should be avoided.</p>
Bedömning av rekommendation:	Tveksamt med utgångspunkt i utvärderingens diskussioner. "Less adequate for formal sector workers" stämmer inte med vårt mångåriga arbete med denna metod. Relevant i vårt arbete.
Åtgärdsbeskrivning:	Studiecirkeln som metod har bl.a diskuterats på ett Verksamhetsrådsmöte 2007, PANAF-programmet har utvärderats. Fortlöpande erfarenhetsinsamlande fortsätter i syfte att utveckla arbetet.
Åtgärdas av:	Metod- och regionansvariga.
Godkännes av:	Kanslichefen
Slutfört (datum):	löpande
Godkänd åtgärd:	

Åtgärdsplan	8.3 Relevance
Recommendation 13:	The activities of a global occupational health and safety (OHS) programme that was studied during the evaluation only consisted in a few workshops in different cities. The LO-TCO Secretariat should initiate a discussion with the GUFs about the relevance of this kind of isolated and, due to the participation of external experts, relatively costly activities.
Bedömning av rekommendation:	Relevant. I många fall formar regionala aktiviteter delar av en strategi som stöds av delprojekt. Mer synligt med en programstruktur.
Åtgärdsbeskrivning:	LO-TCO Biståndsnämnd bör initiera diskussion om värdet av globala och regionala projekt som bara består av enstaka kostsamma konferenser och sporadiska aktiviteter.
Åtgärdas av:	Styrelsen
Godkännes av:	Styrelsen
Slutfört (datum):	Löpande
Godkänd åtgärd:	

Åtgärdsplan	8.3 Relevance
Recommendation 14:	Most projects are national, regional or global, which means that the financial resources available are shared between a large number of affiliated unions and that each of the participating unions receive a limited LO-TCO and its partners should initiate a discussion about whether this is the best way to work or if projects risk becoming too small and, thereby, losing relevance and value to the affiliated unions.
Bedömning av rekommendation:	Viss relevans.
Åtgärdsbeskrivning:	Vi arbetar inom den globala fackliga strukturen där svenska förbund samarbetar med sina internationella broder- och systerorganisationer. LO-TCO Biståndsnämnd samordnar denna verksamhet. Vi strävan är att utveckla relevanta och kostnadseffektiva projekt och program. De globala facken samverkar även med andra solidaritetsorganisationer och det är viktigt att värdera hela den fackliga insatsen.
Åtgärdas av:	Styrelsen
Godkännes av:	Styrelsen
Slutfört (datum):	löpande
Godkänd åtgärd:	

Åtgärdsplan	8.3 Relevance
Recommendation 15:	Interviews and observations during this evaluation have, in several ways, demonstrated the importance of work directly with the membership base. The LO-TCO Secretariat and its partners should encourage beneficiary trade unions to enhance their activities aiming at empowering rank and file members, strengthening the internal democracy of the unions, facilitating access to basic services, enhancing women's position etc.
Bedömning av rekommendation:	Relevant
Åtgärdsbeskrivning:	Det är det vi gör. Vi mäter själva om och hur vårt arbete ger effekter på lokal nivå.
Åtgärdas av:	Löpande
Godkännes av:	Styrelsen
Slutfört (datum):	
Godkänd åtgärd:	

Åtgärdsplan	8.4 Effectiveness
Recommendation 16:	The weaknesses in design that were found in several projects could be due to several factors, such as limited understanding of LFA, the nature and facilitation of planning workshops, lack of quality control along the partnership chain, lack of time or reluctance to criticise. In order develop the right measures to deal with the problems the LO-TCO Secretariat should carefully analyse their causes and take into account whether beneficiary unions have been involved in the planning process.
Bedömning av rekommendation:	Relevant
Åtgärdsbeskrivning:	Se punkt 2. LO-TCO Biståndsnämnd bör identifiera konkreta svagheter och prioritera riktade insatser av metodkaraktär under året.
Åtgärdas av:	Metodansvariga och regionansvariga.
Godkännes av:	Kanslichefen
Slutfört (datum):	Under 2009
Godkänd åtgärd:	

Åtgärdsplan	8.4 Effectiveness
Recommendation 17:	Although there are examples of good annual reports that refer to objectives and indicators, several of the reports that have been studied by the evaluation team mainly list a series of activities. The LO-TCO Secretariat should make sure that the new Nordic-Dutch guidelines and the subsequent training sessions include clear and comprehensive information about how project applications and annual reports are linked to each other and instructions for how to make this link in practice as well as in reporting.
Bedömning av rekommendation:	Relevant
Åtgärdsbeskrivning:	Detta arbete pågår. "User Friendly Handbook" håller på att utarbetas av några Globala fack. Förhoppningen är att denna skall underlätta rapporteringen. De redovisningsblanketter som skickades ut till inför 2008 års redovisning är kompletterade med förtydligande förklaringar under rubrikerna.
Åtgärdas av:	Metodansvariga och regionhandläggare.
Godkännes av:	Kanslichef
Slutfört (datum):	Löpande under 2009
Godkänd åtgärd:	

Åtgärdsplan	8.4 Effectiveness
Recommendation 18:	Local unions sometimes experience long delays between planning, approval and availability of funds and projects suffer undue delays. The LO-TCO Secretariat should try to make the time-span shorter – and, if that is not possible, provide a description of the approval process. The different steps of this process are often not clear to beneficiary unions and local coordinators.
Bedömning av rekommendation:	Relevant men svår att genomföra. Denna rekommendation borde riktas till Sida.
Åtgärdsbeskrivning:	Vi följer Sidas anvisningar vad gäller ansökningar, betalningar etc. Vi gör t ex inga utbetalningar för rän erforderliga rapporteringar och redovisningar kommit in. LO-TCO Biståndsnämnd har tagit till sig rekommendationen att "provide a description of the approval process" och kommer att inkludera denna information i breven som går ut till de ansökande organisationerna.
Åtgärdas av:	Kansliet
Godkännes av:	Kanslichef
Slutfört (datum):	Våren 2009
Godkänd åtgärd:	

Åtgärdsplan	8.4 Effectiveness
Recommendation 19:	The gender analyses of the projects are generally far from adequate. The LO-TCO Secretariat and its partners, including the GUFs responsible for developing the project applications, must ensure that they contain precise and relevant analyses of the obstacles hindering women from organising and assuming active roles in the unions. A first step would be to ensure that the applications adhere to the Nordic-Dutch guidelines for international trade union cooperation.
Bedömning av rekommendation:	Relevant.
Åtgärdsbeskrivning:	Genderdimensionen finns inbakad i redskap för planering, uppföljning och utvärdering, samt i relevanta utbildningar om projektarbete. Omvärldsanalysen måste vara tydligare i ansökningarna och LO-TCO Biståndsnämnd kommer att erbjuda bättre stöd till våra partners för att kunna göra dessa analyser. Där ingår, jämställdhet, miljöanalys, konfliktanalys, Hiv/aids samt planerings- och uppföljningsverktyg.
Åtgärdas av:	Metod- och regionansvariga.
Godkännes av:	Kanslichef
Slutfört (datum):	Löpande
Godkänd åtgärd:	

Åtgärdsplan	8.4 Effectiveness
Recommendation 20:	For projects that have reasonably well structured applications and reports that correspond to the applications, a great deal of quantitative information is often available. Numbers of training sessions and study circles, numbers of participants etc. are listed. For these projects, however, another challenge is to provide qualitative information about what the activities have lead to in terms of economic benefits, empowerment etc. By publishing interviews and case stories it would be possible to increase the visibility of the achievements, making projects more legitimate towards targets groups as well as donors.
Bedömning av rekommendation:	Relevant.
Åtgärdsbeskrivning:	Erbjuda stöd i att göra kvalitativa analyser av resultat i projekten. Göra egna pilotarbeten under treårsperioden samt stödja förbunden i arbetet med text outcome evaluations. Sammanställa "best practices" för att sprida goda idéer till alla partners. LO-TCO Biståndsnämnd kommer också att driva frågan om kvalitativ information (intervjuer och case stories etc.) i det gemensamma nordisk-holländska nätverket.
Åtgärdas av:	Metod- och regionansvariga.
Godkännes av:	Kanslichef
Slutfört (datum):	Löpande
Godkänd åtgärd:	

Åtgärdsplan	8.5 Sustainability
Recommendation 21:	<p>The trade unions as such are – contrary to many NGOs – sustainable and will continue to function, regardless of the LO-TCO Secretariat and other external support. Regarding the project activities, the situation is more varied. Several unions state that they would continue the activities, albeit on a more limited scale without external funding. There are also existing cases where unions are able to continue with the activities after the termination of funding. In other cases, the sustainability is questionable, also after a decade or more of support. The LO-TCO Secretariat and its partners should pay more attention to sustainability issues and make sure they are included in planning and evaluation meetings with beneficiary unions.</p> <p>More thorough organisational analyses of the union partners would allow for an assessment of their ability to sustain development efforts after cessation of funding.</p>
Bedömning av rekommendation:	Hög relevans.
Åtgärdsbeskrivning:	<p>Satsning på erfarenhetsutbyte mellan svenska förbund och Globala fack med t ex partnerskaps workshops. Betona att långsiktighet och uthållighet måste kombineras för att nå hållbara resultat och effekter av projekten. Bättre struktur på ansökans-processen innebär också att projekten måste planera för ett avslut och ha tydliga hållbarhetsanalyser i sina ansökningar.</p>
Åtgärdas av:	Metod- och regionansvariga.
Godkännes av:	Kanslichef
Slutfört (datum):	2009 och löpande
Godkänd åtgärd:	

Åtgärdsplan	8.5 Sustainability
Recommendation 22:	<p>Revenue collection is vital to the long term survival of the trade unions. Although the issue has not been studied in depth by the evaluation team the impression is that the collection of dues could be considerably improved. The LO-TCO Secretariat and its partners should initiate a study to ensure more debate about the topic. Points in case are: best practices of collecting dues, how to ensure check-off systems, how to affiliate associations of seasonal or informal workers etc.</p>
Bedömning av rekommendation:	Relevant men inte prioriterat.
Åtgärdsbeskrivning:	<p>En av nyckelfrågorna för en uthållig facklig verksamhet är förmågan att samla in medlemsavgifter. Inte bara en teknisk fråga utan i högre grad ett politiskt problem. I många fall finns en ovilja från arbetsgivarna att samverka. Frågeställningen bör lyftas fram i det kommande arbetet med en konkret studie.</p>
Åtgärdas av:	Styrelsen
Godkännes av:	Styrelsen
Slutfört (datum):	
Godkänd åtgärd:	

Annex 6.

Brief presentations of the visited GUFs, Swedish trade unions and local projects and programmes and Partner organizations

1. Studies of Swedish Trade Unions

The Audit Team has visited three Swedish Trade Unions to study the management systems they use as Project Responsible Organizations. The Audit Team selected the two Swedish Trade Unions with the highest number of projects; Industrifacket Metall and Lärarförbundet, thus, selecting one trade union from LO and one from TCO. In addition, the Audit Team has visited one Swedish Trade Union with a small number of projects; ST and carried out interviews over the phone with a random sample of five other Swedish Trade Unions; Kommunal, Pappers, Musikerförbundet, Handels and Byggnads. The visited unions are presented briefly in this section. The observations are an integrated part of each sub-section in chapter 3-6 of the report.

1.1 IF Metall

IF Metall is affiliated to LO and has about 440,000 members at nearly 13,500 workplaces all over Sweden. IF Metall is member of three GUFs namely the International Metalworkers' Federation (IMF), the International Federation of Chemical, Energy, Mine and General Workers Unions (ICEM) and the International Textile, Garment, and Leather Workers' Federation (ITGWLF).

IF Metall runs international development projects that are bilateral as well as multilateral. The multilateral projects (in co-operation with the GUFs) are 31 in total. Of these 18 are carried out together with ITGWLF, 6 with IMF and 6 with ICEM (1 project is run jointly with the GUFs). The bilateral projects are 20. Of these 3 are division projects, in co-operation with different Swedish divisions.

The Union Board leads the activities of the Trade Union between the congresses. It consists of 19 members, of whom 13 are working in the production and 6 are employed functionaries at the Union Head Office. At least once a year the Union Council meets. The Council is advisory to the Union Board and decides about the Activity Plan and budget for the year to come. The Union Council is composed by all Division Chairpersons and the Union Board.

The Congress is the highest decision-making body of the Union and is held once every three years. During Congress 300 elected delegates from the different Divisions decide goals and direction for IF Metall regarding the trade-union activities.

1.2 Lärarförbundet

Lärarförbundet is the major trade union for teachers. The union has about 220 000 members organized in 298 local units in Sweden. Of the

members 82 % are women. Lärarförbundet is member of the TCO and Education International.

Lärarförbundet has been active in international aid activities for several years. International aid activities are strongly supported by the individual members. Every member of Lärarförbundet pays 1.5 % of the member fee to international aid activities (3.5 million kronor a year). Lärarförbundet gives high priority to the task of strengthening teachers' trade unions in developing countries. All members of the Board take active part in local development projects.

At the moment Lärarförbundet get grants from the LO-TCO Secretariat to take part in 15 projects. All these projects are bilateral. Even though Lärarförbundet is the contract partner with the LO-TCO Secretariat there is an extensive co-operation between Lärarförbundet and Education International both in the process of initiating projects and in the implementation of projects. Education International has an important role as co-ordinator of aid activities and as a forum of exchanging experiences in this area.

The Department for International Affairs comprises six employed. The Head of the Department of International Affairs at Lärarförbundet is member of the Board of the LO-TCO Secretariat.

1.3 ST

The Union of Civil Servants (ST) is the largest white-collar union in the government sector with 90,000 members (70 percent of the members are women), 10,000 elected representatives and 97 sections for government agencies and state-owned companies. As a principle there is a ST section at every authority, public utility or state company.

ST co-operates with other trade union affiliates of The Swedish Confederation of Professional Employees (TCO) and the international trade union movement. Thus, ST is a member of the following GUFs:

- Public Services International (PSI)
- Union Network International (UNI)
- International Transport Workers' Federation (ITF)

One member of the ST Board acts as a link for each of the international co-operation programmes in which ST participates. The Chief International Secretary of ST has the status of Deputy Secretary General.

2. Visits to GUFs

The Audit Team has visited three GUFs; the International Trade Union Confederation (ITUC), the International Federation of Chemical, Energy, Mine and General Workers Unions (ICEM) and the International Metalworkers' Federation (IMF).

The GUFs are presented briefly in this section. The observations are an integrated part of each sub-section in chapter 3-6 of the report.

2.1 ITUC

The International Trade Union Confederation (ITUC) is a confederation of national trade union centres, each of which links the trade unions of that particular country. ITUC has 312 affiliated organizations in 157 countries and territories on all continents, with a membership of 170 million, 40% of whom are women. Of the 312 affiliates, 200 are in the southern hemisphere and 25 affiliates are SSOs (Solidarity

Support Organizations). The head office is situated in Brussels. ITUC has four regional offices; in Sao Paolo, Lomé, Singapore and the Pan-European Office.

Every four years there is a Congress meeting, during which general priorities are made. The General Council meets once or twice a year and sets the list of priorities.

2.2 ICEM

The International Federation of Chemical, Energy, Mine and General Workers Unions (ICEM) is an industry-based world labour federation with more than 20 million members worldwide.

The head office is situated in Geneva. However, the project coordinator is based in Brussels. There are nine regions, whereof the Sub-Saharan Region that has its office in Johannesburg has an important role in projects studied in the field visits to Kenya and Tanzania.

2.3 IMF

The International Metalworkers' Federation (IMF) represents the collective interests of 25 million metalworkers from more than 200 unions in 100 countries. About five million of the members are women, mostly working in the electronic industries.

IMF has its Head Office in Geneva where five out of 28 staff is working with developing issues. IMF has also employees for development issues at their five regional offices (Uruguay, Johannesburg, Malaysia, New Delhi and Moscow).

IMF has a Congress meeting once every four years and Central Committee meets in June and November; in November approving the Plan of Activity and budget for the following year and in June evaluating all activities.

3. Field Studies in Kenya and Tanzania

In order to follow the entire organizational chain the Audit Team has visited the projects/programmes in Kenya and Tanzania where IF Metall and Lärarförbundet are the Project Responsible Organizations and ITUC, ICEM and IMF are the implementing organizations for four of them. Thus, the Audit Team has studied programme 2060, project 50012, project 10055, project 10025 and project 10051 at all levels. The local Partner Organizations and the programmes/projects are presented briefly in this section. The observations are an integrated part of each sub-section in chapter 3-6 of the report.

3.1 COTU (K) – Central Organization of Trade Unions (Kenya)

The programme studied by the Audit team is the PanAf Programme, number 2060. It is run in co-operation between ITUC and LO and TCO. The Audit Team visited COTU (K) – Central Organization of Trade Unions in Kenya. It has 34 affiliated organizations with around 500.000 members, involving all industrial sectors. Of these 21% are women. The main objectives are four:

- Raising the members' living standards,
- Defending workers' rights,
- Contributing to employment, and
- Informing about HIV / aids.

In the form of study circles, trainees are being trained, in order to be enabled to continue the education at their worksites. After each completed course, there are educational meetings which might contain information on new labour laws, gender and / or trafficking.

COTU (K) handles the finances for the project and has a bank account for the purpose. A bank statement and three signatures are required for any withdrawal from the bank. There are limits as to what amounts may be drawn. The receipts of all transactions are sent to the regional office, which is then responsible for the accounting within the framework of the project.

3.2 Kenya Shoe & Leather Workers Union (KSLWU) and Kenya Tailors and Textile Workers Union (TTWU)

In Kenya project 10055 and the Kenya Shoe & Leather Workers Union and the Kenya Tailors and Textile Workers Union were studied. These two unions are co-operating with IF Metall and with ITGLWF, through their regional office in South Africa and the Education Secretary of ITGLWF in the United Kingdom. All financial matters are handled by the Regional Office, through coordinators/moderators who attend workshops and pay all expenses cash.

Both of these unions represent sectors with severe problems, due to the international financial crisis, heavy competition from other countries. In 2008, following the general elections, there was violence that paralyzed the country and it was not possible to conduct any project activity until the situation became more settled.

KSLWU has 4,000 members and TTWU 4,700. Both unions have grown in 2008. However, the growth has been reversed by factory closures, whereby the numbers lost were greater than the growth, therefore leading to negative growth.

The Development Objectives are to promote and develop trade union organization and to improve worker representation and raise awareness of trade union rights. The project is still on the path towards achieving its objectives, as the training held covered

- Introduction to Kenya Labour Relations ACT
- Powers of the courts and resolution of disputes
- Collective bargaining for a living wage campaign

The Project Objectives are to develop and train trade union organizers and factory based union leaders, to conduct continuous campaigns to organize the unorganized in order to increase rank and file union membership, and to ensure continued participation of women members.

Expected Results is that by the end of the project the two project partners will have established a well-trained and efficient group of 200 trade union organizers and factory based union leaders. However, due to political instability it was not possible to achieve the targeted number of 200 participants in 2008, the project coordinator reports that it is planned to reach the target in 2009.

The Audit Team also visited a worksite, a shoe factory, and got the impression of good progress made as to enlisted workers (375 of 400), training carried out and good results achieved as to increased wages and improved working conditions.

3.3 Tanzania Union of Industrial and Commercial Workers (TUICO) and Tanzania Mines and Construction Workers Union (TAMICO)

In Tanzania project 10025 and Tanzania Union of Industrial and Commercial Workers (TUICO) and Tanzania Mines and Construction Workers Union (TAMICO) was studied. In addition project 50012 was studied. It is a regional project in which TUICO and TAMICO are taking part.

Of these two trade unions, TUICO is the larger one, with members in the sectors of textiles, leather, chemicals, brews, cigarettes, metal tools and steel. The union was created in 1996 and has 52.000 members, whereof around 10.000 women. TUICO has a Congress, meeting every four years, a General Council, Executive Committee which meets every year, a zonal congress with meetings once a year and a regional congress which meets once every five years.

Project number 10025, the Material Development Project, was started in 2003 and is run in co-operation with IMF and IF Metall, its main purpose being education capacity and structures, with gender equality as a sub sector. Much of the efforts within the project regard the training of personnel to enable them to produce their own education material and run education sessions on their own. The training has led to a substantial increase in enlisted members.

The number of evaluations for the Material Development Project done so far is four. The first one was carried out in Dar es Saalam and IMF Head Office in Geneva participated. The second one was effectuated with the participation of IF Metall [International Department]. Also for the third one IF Metall [International Department] participated. The fourth one involved TUICO and the IMF Regional office based in Johannesburg in South Africa.

The second project in Tanzania studied by the Audit Team is a regional project, number 50012. This project is run with both TUICO and TAMICO, co-ordinated by ICEM and IF Metall.

TAMICO has 10.724 members within the sectors of mining and construction. The ICEM regional office in South Africa sends money per seminar, reports and original invoices are sent to South Africa after the seminar. With TAMICO the project is focused on building capacity of shop stewards and activists able to contribute to the growth of TAMICO through recruiting members and improved service to the members.

TUICO, being better organized and larger than TAMICO, gets support through the project to grow and maintain its level of organization as it is an important union in the chemical industry. TUICO is able to make organizational plans and implement them with a focus to collective bargaining, recruitment campaign, education and other campaigns. The focus of the project with TUICO is capacity building through education and information sharing. The items raised in the seminars are TUICO constitution and its structures, role of shop stewards, employment standards, dispute handling procedure, termination procedures, strikes and lockouts, organizing skills and negotiation skills.

Both these projects are financially handled by the IMF and ICEM regional offices in South Africa. Coordinators / moderators participate in all workshops or seminars, pay expenses occurred, and assist in the after-workshop evaluations, after which they return to South Africa.

3.4 Zanzibar Teachers' Union (ZATU)

At Zanzibar the bilateral project 10051 between Lärarförbundet and Zanzibar Teachers' Union (ZATU) was studied. ZATU was established in 2002 and has to-day 5.060 members. From 2004 it has co-operated with the Danish Teachers' Union, and from April 2008 with the Swedish Lärarförbundet.

ZATU has, on the national level, a Delegate Congress (68 delegates), under which is a National Council (33 members). Under this is the National Executive Committee with 15 members. Furthermore there is a Zonal General Meeting, which takes the decisions that steer the Zonal Executive Committee.

The project, number 10051, is financed jointly by Lärarförbundet and the Danish organizations DLF and LO FTF. It has as its main objective general trade union organizational development by recruiting and organizing capacity and gender equality.

Financial management is handled by ZATU. The Agreement between Lärarförbundet and ZATU specifies clearly what is required from ZATU, i.e. special bank account for each co-operating partner, detailed instructions regarding the request for and transfer of funds, reporting and evaluation and planning meetings.

According to the Agreement, "to facilitate the reporting, the narrative reports should cover activities financed by both Lärarförbundet and DLF and the same reports should be sent to both co-operating partners". It turns out that also the 2008 Action Plan covers the activities financed by the three donors (LRF, DLF and LO FTF). This makes any auditing more difficult, when comparing the budget figures with the planned activities, since the figures have to be collected one by one in order to sum them up and check them against the budget.

Regarding the reporting, the Audit Team asked for the 2008 in- and outgoing information (budget, planned activities and the narrative report) and also for the first quarter 2008, to see how the quarterly information was fitted into the yearly reporting. Unfortunately, the quarterly information was not possible to find. This issue should be followed up by Lärarförbundet and the LO-TCO Secretariat.

Sida works according to directives of the Swedish Parliament and Government to reduce poverty in the world, a task that requires cooperation and persistence. Through development cooperation, Sweden assists countries in Africa, Asia, Europe and Latin America. Each country is responsible for its own development. Sida provides resources and develops knowledge, skills and expertise. This increases the world's prosperity.

Systems-based Audit of the LO-TCO Secretariat

The system-based audit of the LO-TCO Secretariat for International Trade Union Development Cooperation (LO-TCO) was carried out during 2009 by Professional Management, a Swedish consultancy firm. The aim of the audit was to assess LO-TCO's systems for operational and financial management. The consultants found that LO-TCO's mission is clear and comprehensive. The fact that LO-TCO works within established international trade union structures rather than creating parallel structures was seen as a major strength of the development co-operation. LO-TCO should develop its capacity for results-based management and enhance its methods and tools in this field. While LO-TCO's co-operation agreements with partners contain clear and appropriate reporting criteria, the consultants noted that reports tend to be activity-based with insufficient analysis of outcome and impact. The consultants overall conclusion was that LO-TCO's systems for operational and financial management are relevant and reliable and implemented on all levels within the development cooperation.

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