

**Project Information:** [By clicking on (i) you will get additional information for associated section/field. Some information in this document is populated from iDESK, AS PDS Approval & AS - Supervisions.]

Data populated
Data Entry

Region: East Asia and the Pacific	Country: Vietnam	Frontier Regions: (i)	% in Frontier Region: (i)
Sector: X-XX - Other	IDA status: (i) Yes	% in IDA Countries: (i) 100	
Owning Dept/Division: CEAMC - East Asia And Pacific/MPDF-Ho Chi Minh City	Implementing Dept/Division:	Project/Transaction Leader: Hong Thi Thu Dang	
Project ID: 561550	Project Short Name: ESS-VNBetterWork	Project Long Name: ESS-VN Better Work Vietnam	
Original Approval Date: Aug. 10, 2008	Total Funding: 1,742,543	Actual Project Duration: 35 months	
	Original (i)	Revised (i)	Actual (i)
Project Implementation Start	Jul. 1, 2008	Aug. 12, 2008	Aug. 12, 2008
Project Completion	Jun. 30, 2010	Jun. 30, 2011	Jun. 30, 2011

**Project Categorization (automatically populated from the Business Lines tab in iDesk):**

Business Line(s)	Product(s)	Type
Sustainable Business Advisory 100%	Environmental, Social and Trade Standards	ENT 100%

Relationship to IFC Project(s)	Relationship Type	Project ID	Project Long Name
IFC AS Project	Component of an existing AS project	547829	SRsp Better Work I
IFC Investment Project	Link to a possible IFC investment within 3 years after project approval		
Recipients			Beneficiary Type (i):
Stakeholder Type (i): Other Intermediary; Large Company; SME Company; Government National	Main Client (i): BWV (652886) Other Client(s) (i): BWV(652886)		Other Intermediary; Large Company; SME Company; Government National

<b>Objective</b>	<p>Original (Aug 10, 2008) - The Better Work Vietnam (BWV) project is intended to increase industrial competitiveness in Vietnam by improving working conditions and labor/management relations. The project will initiate collaboration between buyers and suppliers in key labor-intensive sectors that are part of global supply chains and where there is clear market advantage. During the initial project phase of two-years, IFC (jointly between MPDF and the CES Dept), in partnership with the International Labor Organization (ILO), aims to improve working conditions and the sustainability of jobs for some 150,000 workers in Vietnam's garment industry. If successful, the project will be replicated across a number of labor-intensive industries in Vietnam as well as in other countries; therefore the potential impact of the project is significant on both a national and global level.</p> <p>The project focuses on the garment industry to start, because both IFC MPDF and ILO</p>
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	<p>have considerable garment industry experience in Cambodia, and IFC MPDF has garment industry experience in Vietnam. In addition, there is already significant interest and buy-in from both the international buyers' group (comprised of mainly US and European brands) and from local stakeholders.</p> <p>IFC and ILO envisage BWV as a mechanism that will undertake compliance reporting for garment supplier factories. More importantly, it will help factories improve labor standards through training and advisory services. Through the tracking of results for participating manufacturers, BWV aims to demonstrate the business case for good labor standards to a number of other industries and countries.</p> <p>Other prospective industries, where the market is driving demand for good labor standards, include agriculture (i.e. coffee and seafood); footwear, wood furniture, household appliances, and electronics, as well as the retail and hotel sectors. All are labor-intensive and have the potential to expand through better labor standards and improvements to their "country-of-origin" image. Indirect benefits (e.g. access to training and consultancy services) will also accrue to companies in multiple sectors where better workplace conditions are necessary for enhancing worker productivity.</p> <p>Most recent update - N/A</p>
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**Key Highlights (i)***Summarize key project highlights*

Entire Project: The project aimed to improve working conditions in the Vietnamese garment industry, with the goal of reaching 150,000 workers in the first two years of operation, which is the start-up period for a long-term sector wide engagement. The program start-up has been successful on a number of fronts and Better Work Vietnam (BWV) continues to expand the number of participating factories at a rapid rate, putting it on target for achieving financial sustainability within 5 to 7 years of inception. At the same time that it achieved local results, it was also sharing management lessons with Better Work Global and taking an active role in shaping how BW manages all of its country programs. BWV's recommendations on data systems, personnel management, training products and marketing were instrumental in how the global program evolved towards ever-better launches in new countries.

- Notable achievements by BWV include the fact that it reached a total of 150 factories by the time of the project's close (BWV continues without IFC involvement), including those receiving assessments, advisory and training services\*. Assessments were conducted at 107 factories and 9 of those have already undergone a second annual assessment. The program's reach to workers was broad; the population of the affected workforce was 154,657, of which 123,807 were women.

- One notable benchmark for the program was its impact on the efficiency of the social compliance programs that brands and buyers manage. Rather than conducting their own audits, the buyers relied upon BWV's data because of its extremely thorough assessment process (more than 200 questions). A total of 30 buyers registered to receive factory reports and the estimated savings from avoiding duplicate audits was \$836,628. This benefit was significant to factories as well, greatly reducing their administrative burden of hosting multiple audit teams in a year or, in some cases, monthly.

- BWV charged fees for its services, with the goal of reaching full cost recovery on its operational expenditures sometime between years 5 and 7. At the end of June 2011, the assessment/advisory package for factories was \$2,000 for one year, the reports to buyers were sold for \$750 each and the training services had variable pricing. The revenues generated by these fees in the first two years of operation were \$463,000.

- BWV expects to measure trends of increased labor compliance and better performance on worker-management relations during the coming years. One of the key points of leverage for achieving these goals is transparency to the public. Every Better Work program must issue synthesis reports, twice per year, which detail the collective and individual performance of participating factories. BWV released two synthesis reports, the first in September 2010 and the second in April 2011 which showed, for example, that occupational health and safety needed improvement across the industry. Preliminary results from the early group of second round assessments (not published yet) are showing improvements in compliance, such as reduced gender discrimination and improved work safety protections, that reflect the value of BWV's approach to improving labor conditions.
- BW program also added its credibility in setting up the mechanism to engage international buyer to build a dialogue with various stakeholders via organizing Buyers' Forum. The forum provides an opportunity for international buyers to discuss these challenges and solutions using a variety of levels. It has been set up as a regular channel of communication for new ideas on responsible supply chain management and helps bridge the gap between buyers at the international level and the in-country operational level.

- BWV also set up a regular channel of engagement with the Project Advisory Committee (PAC) members to gain support for the program (government, employers and unions) and provide input to the issues to better improve the working conditions in participating factories. The capacity building for key stakeholders are carried out which helps to gain their trust and partnership with MOLISA (Ministry of Labor, Invalids and Social Affairs), VCCI (Vietnam Chamber of Commerce) and VGCL (Vietnam General Confederation of Labor) for enhancing their training capacity reducing industrial disputes and improving labor conditions at participating factories.

- In sum, the launch period of Better Work Vietnam has succeeded in recruiting an initial group of businesses, delivering advisory services, demonstrating value to the local market, and achieving preliminary evidence of positive impact on improving working conditions for the garment industry.

Reporting period since last supervision:  
Component 1 - Enterprise Assessments:  

- 117 factories registered for the assessment & advisory service package
- 107 assessments conducted: 98 factories received only one assessment; 9 factories received two annual assessments

Component 2 - Enterprise advisory & training services:  

- Delivered advisory services to a total of 92 factories.
- Total of 150 factories reached by BWV ( receiving training and /or assessment/advisory services.
- Training videos and comic books: completed two new comic books and scripted and filmed episodes 3 and 4 of the worker training videos. One covered the topic of stealing and the other covered occupational health and safety.
- Engaged a new training partner for worker trainings: the Vietnamese Youth Union
- Co-branded events with the employers' association (VCCI) on specific workplace topics

Component 3 - Stakeholder Engagement and Public Reporting:  

- Organized PAC meeting in Feb 2011 and released a second synthesis public report in April 2011.
- Provided capacity building for Ministry of Labor: revised inspectorate training material and provided TOT for labor inspectors.
- Organized a local Buyers Forum in HCMC in April 2011.
- Delivered Phase II of the "Union capacity building project" in coordination with ACTRAV, APHEDA and the ILO Vietnam office. To date, 247 PICC workers from 69 factories have participated in this training.

Sustainability:  

- BWV operates with a systematic staff management system; all 16 Enterprise Advisors have been provided with training and coaching to give them the capacity to deliver all BW services.
- Responding to high demand, BWV published a Vietnam Labor Law Guide for all program stakeholders in Jun 2011.
- Finalized an exit strategy for IFC and provided input to CRN
- Collected \$462,704 in revenues.

Measurement & Evaluation:  

- Local contractor of Tufts university collected baseline data collection from 72 factories.
- Tufts University issued the first report from early results (factories where second-round data collection took place), targeted to the audience of factory managers. It reported results to date including changed/improved perceptions about worker-management committees.

\* Better Work Vietnam provides the following services:

1. Assessment: to monitor compliance of the garment factories with international labor standards and national labor law. These eight clusters include: (i) four areas of national labor law - compensation, contracts and human resources, occupational safety and health, and working time and (ii) four fundamental rights related to international labor standard - freedom of association, forced or compulsory labor, child labor and discrimination. Each assessment is conducted by two Enterprise Advisors for two days (four person days) and are unannounced to factories, including management interviews, worker interviews, document reviews, and direct factory observation.
2. Advisory: Following the assessment, BWV assigns an advisor to work about ten days per year with each enterprise on advisory work. The BW advisor will help to develop a sustainable system to implement improvement for the enterprise, including: (i) Develop a Performance Improvement Consultative Committees (PICC) with management and union representatives; (ii) Create and implement improvement plans; and (iii) Increase company performance on subsequent compliance assessments.
3. Training: BWV offers training programs to managers, supervisors, and workers both in the classroom and at the factories, such as: (i) Supervisory training, (ii) Single Issue training such as OHS, negotiation skill, productivity and quality and workplace cooperation; and (iii) Workers' Training: to train workers on their rights and responsibilities at the workplace, using dramatic videos and accompanying comic books as the primary training medium, with large group from 200-500 workers.

### Lessons Learned:

Delete Row (i)	Lesson Area (i)	Comments and Suggestions (e.g. What worked well? What would you have done differently?)	<input type="checkbox"/> Add Additional Lessons Learned Row
	Design/planning	<ul style="list-style-type: none"> <li>The design of advisory services was inspired by the lesson of Better Factories Cambodia, the prototype for Better Work global. BFC did not have a strong demand for advisory services, hence BWV decided to bundle the assessment and advisory service together for the purpose of activating the Performance Improvement Consultative Committees, or PICCs. The PICCs, which involve elected worker representatives, are a critical feature of achieving meaningful and productive social dialogue. The results to date are successful; a survey of 12 factories that have completed one year of such committee structures shows that management's trust is much higher than at the beginning. In addition, the compliance rating pertaining to "interference with workers' representatives" improved by 50% over the first assessment, making it the area of the largest increase in compliance performance.</li> <li>Marketing the services of Better Work continues to be a challenge. Factories are willing to pay for assessment services because they see a reduction in the number of audits per year and hence there is a direct payoff. Advisory and training services are much more difficult to market because the sector is not accustomed to paying for such work and doubts the true value to the business. Bundling the services of BWV was a good solution to the issue; nevertheless, the actual costs of time spent by staff in nurturing the PICCs and writing quarterly reports is far higher than the fee paid by the factory. In the long term, advisory services will need to demonstrate sufficient value to allow for higher fees and better cost recovery. Developing specific case studies will help prove value to the local market. Training services are also experiencing slow uptake because Better Work is creating a new market where there is no tradition of investing in external staff training (e.g., topics such as improving supervisory skills, negotiation skills, OHS management, etc.). Marketing training services involves outreach to enrolled factories as well as to the sector at large, where both outreach and word-of-mouth are necessary to grow enrollment.</li> </ul>	
	Pricing	<ul style="list-style-type: none"> <li>There are two types of pricing that were originally handled together and are now being split apart: local market fees for direct services, paid by factories, and global fees paid by brands to access program data like audit reports. The fee structure was originally set entirely from a local market perspective, based upon audit costs of other third-party audit firms. However, several issues have inspired a new approach and Better Work global is in the process of separating the service fees apart from a global participation (or membership) fee.</li> <li>At the factory level, the original price for assessment was \$500 and the price for advisory services was \$1,500. However, when BWV decided upon a "bundling" strategy (discussed in design, above), it delivered both for \$2,000 as the minimum requirement for factory enrollment. At the current time, a factory cannot order only an assessment.</li> <li>At the buyer level, the original fee for a factory report was \$500, which was raised in January 2011 to \$750 per report. However, a report-based fee reinforces the image of Better Work as an auditing agency, when a more accurate view is that BWV improves social dialogue structures that will permanently improve workplaces. In addition, brands that support Better Work at a global level receive an important benefit from their association with the Better Work brand – including the implication to stakeholders that they care about permanent and continuous improvements in their supply chains. Better Work global is therefore planning in 2012 to switch away from a report-based fee and towards a membership fee that recognizes the broader value to brands. Some of these revenues will be shared with country programs via a distribution plan that is still</li> </ul>	

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		under development. <ul style="list-style-type: none"> <li>• Training services are delivered for a cost of approximately \$25/participant/day based upon available training services in the market. Any participant may subscribe to a training as there is no prerequisite for prior enrollment in any other Better Work service.</li> </ul>	
	Implementation/delivery	<ul style="list-style-type: none"> <li>• The initial timeline for startup was based upon brand surveys that showed optimistic projections for enrollment, predicting that several hundreds of factories would be enrolled in BWV. The reality of startup was much slower, in particular because brands did not compel suppliers as strongly as had been anticipated, meaning that the program took almost two years to surpass 100 factories. In addition, the country manager required significant time to recruit and train staff, customize tools to the country, and develop marketing that would appeal locally. This was Better Work's first program in a 'voluntary' marketplace and the timeline lesson has since been adopted in other contexts. As other programs have been set up, such as Indonesia, Lesotho and Nicaragua, the actual "start date" is now determined as being 6 months after the arrival of the country manager. Those first 6 months involve adaptation of global tools, hiring and training, and learning all the requisite Better Work systems.</li> <li>• Better Work global seconded its global training manager to IFC Vietnam to help develop training products and services, part of IFC's support to BWV. This integration worked smoothly and helped produce more effective materials, as measured by content and interactive methodology. A complete trainer's guide to several modules resulted.</li> <li>• The development of a pool of training partners was more efficient than building in-house capacity. BWV had a difficult time identifying well-qualified enterprise advisors and it would have been an additional burden to ask the advisors to also possess training skills.</li> <li>• Marketing activity was a weak area, resulting in low participation rates when trainings were launched. Hence the recommendations would be: 1) engage key external partners as a possible pilot agency for delivery of worker trainings (e.g., the Vietnamese Youth Union could have been approached earlier); 2) work with employers' associations to develop co-branded events on topics of mutual interest to BW and the members; and 3) promote local workshops via the BW newsletter and web site.</li> <li>• Scheduling site visits and assessments: factory enrollment and assessment visits should take into account the peak seasons of the garment industry and recognize that it will be more difficult to grow in peak season. In Vietnam, these months were October to January.</li> </ul>	
	Development Results	<ul style="list-style-type: none"> <li>• The project will have indirect results beyond the participating factories. Within the business community, there will be a demonstration effect that good working conditions are part of a healthy and competitive business. The project also expects to have positive impacts on the lives of workers' families. These additional economic and social impacts are expected to show later in the project, by year 5.</li> <li>• Better Work Global in coordination with Tufts University, USA collects periodic data on workers, managers, and firm performance at the factory level as part of their M&amp;E plan. Data are collected with fielded questionnaires and interviews on the following areas: 1) innovations in human resources; 2) factor productivity and product quality, 3) improvement in working conditions related to worker fundamental rights (e.g. child labor, discrimination, forced labor) and compliance with national labor laws (e.g., assessment of compensation, contracts and human resources, occupational safety and health, and working time). BWV publishes regularly reports on labor compliance performance in the form of aggregated data twice a year. Tufts reports on improvement in worker conditions</li> </ul>	



Delete Row (i)	Lesson Area (i)	Comments and Suggestions (e.g. What worked well? What would you have done differently?)	<input type="checkbox"/> Add Additional Lessons Learned Row
		will be uploaded when available in a month.	
	Project team	<ul style="list-style-type: none"> <li>A staff member was seconded from BW global worked in IFC's office to joint force with IFC in training material development and in preparation for BWV startup. Later on the BWV team and IFC staff shared office space in the initial months of start-up. Due to the intensive nature of communications and planning that were required, sharing office space in the initial phase was helpful.</li> <li>BWV was challenged to put together a large-enough team to deliver all services rapidly. The lesson learned was to extend the recruitment time and also the training time, in particular because of the challenge of building common quality standards into a brand new team.</li> </ul>	
	Consultant work	<ul style="list-style-type: none"> <li>Be conservative in planning and resources to train and coach the quite large number of enterprise advisors.</li> <li>Be flexible to arrange visits in suitable period to avoid garment industry peak season (Oct-Jan).</li> </ul>	
	Client commitment/satisfaction	<ul style="list-style-type: none"> <li>Be conservative in planning and ensure early communication across IFC team. It took time for getting buy-in within IFC and therefore the Grant Agreement for BWV took longer time than expected to finalize (eight months after the project approved).</li> <li>To attract factories' sign-in and Buyers' supports, the team needs to mobilize supports from all stakeholders. Factories need more time to build their confidence and see competitive advantages in BWV services. Factory recruitment has taken a significant amount of staff time both at the buyer level and the individual enterprise level. Besides working with various Buyers at headquarters, regional and local offices to marketing its services, the most efficient way is to organize factory meeting with each Brand.</li> </ul>	
	Funding leverage	<ul style="list-style-type: none"> <li>Total IFC contribution for the Project was \$1,705,580, and total fees collected by BWV of \$462,704, therefore total funding available to cover BWV operations were \$2,168,000 from these two sources.</li> <li>To cover the shortfall in revenues collected from services delivery, BWG and BWV have reached out other donors to secure additional support from Australian Government of \$1,186,499, of which \$264,778 was spent through June 30, 2011.</li> </ul>	
	Experience with replicating	<ul style="list-style-type: none"> <li>The Project experience/lessons are used for other IFC Projects -please see Project #561550), BFC (#5444840) and BWG (#563207). The advisory work and experiences are used to support other BW Projects (Jordan and Haiti) and planned to continue to be used in all BW Projects (including three new BW Projects in Lesotho, Nicaragua and Indonesia). In total, the Project experience is used to replicate in seven countries.</li> <li>At the onset of a new country program, quality is of utmost importance in establishing a good reputation in the local market, therefore, targets should focus on consistent quality alongside increasing scale. While important to scale up for sustainability and coverage reasons, setting up an effective Quality Assurance program is crucial at the beginning.</li> </ul>	
	Link with IFC Investment	<ul style="list-style-type: none"> <li>Linking with investment opportunities is opportunistic for this project as garment is no longer a sector of IFC investment focus .</li> <li>The lesson from this is that IFC should follow Investment/Advisory links and how to coordinate the approach to clients in replication BW to other sectors.</li> </ul>	

Lessons learned would be easy and valuable to translate into a [SmartLesson](#). Please consider writing a short [SmartLesson](#) based on your experience.

### **Follow up opportunities:**

Are there new business development or replication opportunities?	AS	Investment
	Yes	No
<i>If yes,</i> 1. Describe opportunity	Better Work is currently in demand outside of IFC. There are opportunities to replicate in other labor intensive industries such as furniture or food processing as well as retail business. It has significant development impacts and should be replicated in countries and sectors where we see internal demand from the investment side.	
2. Recommended follow up action	IFC and BW are assessing areas of value addition from IFC to support BWV in its sustainability for the long run .  It is very opportunistic if IFC can set up a Trade Finance Facility to help financing to firms in their supply chain in labor intensive sectors	

**Summary of Supervision Performance Ratings:**

Performance Category (i)				
Supervision Reporting Period	Development Results	Financial	Timeline	Overall
#1[As of Dec. 31, 2008]	A - On or Above Targets	A - On or Under Budget	A - On or Ahead of Plan	A - On Track with all Performance Categories
	Rationale for overall performance rating assigned The project is on track on finances and timeline; it is still early to track the development result , but this is also expected to be on track.			
#2[As of Jun. 30, 2009]	A - On or Above Targets	A - On or Under Budget	B - Slightly Delayed	B - Some Areas of Underperformance
	Rationale for overall performance rating assigned The project is on track on finances , however it is slightly delayed due to the delay in finalizing and signing for the grant agreement between ILO and IFC. Also it is still early to track the development result , but this is expected to be on track.			
#3[As of Dec. 31, 2009]	B - Slightly Below Targets	A - On or Under Budget	B - Slightly Delayed	B - Some Areas of Underperformance
	Rationale for overall performance rating assigned The project is mostly on track on finances. It is slightly delay due to the delay in start up as explained in key risks/issues session.			
#4[As of Jun. 30, 2010]	B - Slightly Below Targets	A - On or Under Budget	B - Slightly Delayed	B - Some Areas of Underperformance
	Rationale for overall performance rating assigned The Project is on track with timeline and financials. It is slightly delay in advisory services and training delivery as explained in Key Risk/Issues session.			
#5[As of Dec. 31, 2010]	B - Slightly Below Targets	A - On or Under Budget	B - Slightly Delayed	B - Some Areas of Underperformance
	Rationale for overall performance rating assigned Overall rating: B. The Project is on track with timeline and financials and main developmental impacts , except the shortfall in cost recovery.			
#6 [As of Jun. 30, 2011]	B - Slightly Below Current Targets	A - On or Under Budget	B - Slightly Delayed	B - Some Areas of Underperformance
	Rationale for overall performance rating assigned B. The Project is on track with the timeline, financials. and main developmental impacts, except shortfall in cost recovery .			

**Development Effectiveness:** [\[Click on respective \(i\) for guidance on rating.\]](#)



	Highly Unsuccessful	Unsuccessful	Mostly Unsuccessful	Mostly Successful	Successful	Highly Successful	Not Applicable
<b>Development Effectiveness- Synthesis Rating (Based on criterion 1-5) (i)</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rationale	<p>The Development Effectiveness for the project is rated as satisfactory. All key indicators on Strategic Relevance, Output achievement, Outcome achievement, and Impact achievement, Efficiency and IFC's role and contribution are all rated as satisfactory.</p> <p>The Project achieved extremely positive aspects and clearly meets expectations on helping to improve the labor conditions and the competitiveness in the labor-intensive apparel sector of Vietnam. The Project has helped improve working conditions to quite large number of workers (154,657 workers, of which 80% are women). It helps to reduce duplication in audits with the value of private sector savings amounts to \$836,628. Thanks to this, garment factories can focus their resources with BWV advisory services to make sustainable improvement on working conditions. There is marginal shortfall on fee collection target, however, it is minor compared to the above achievements.</p>						

	Unsatisfactory	Partly Unsatisfactory	Satisfactory	Excellent	Not Yet Achieved	Meets Exclusion Criteria (i)
<b>1. Strategic Relevance (i)</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
Rationale	<p>The indicator is rated as satisfactory.</p> <p><b>PRIVATE SECTOR DEVELOPMENT THAT HELPS PEOPLE FIND JOBS AND IMPROVE THEIR LIVES</b>  Better Work aligns with IFC's vision of helping people escape poverty through sustainable private sector development. Labor intensive sectors including garments benefit large number of workers who mostly come from poor rural areas. In Vietnam, the garment sector alone employs about two million workers of which around 150,000 will directly benefit from the Project in the first two years; over the course of five years that number could grow to over 700,000. If the Project is expanded to other labor-intensive industries as intended, the potential impact is significantly bigger.</p> <p><b>MAINSTREAMING GENDER</b>  Better Work Vietnam aligns well with WB strategy in mainstreaming gender. It is estimated that 80% of workers in the garment sector in Vietnam are women, so the Project has a strong gender focus, targeting at least 100,000 workers in the first two years. Enterprise assessments done by BW will explicitly address discrimination issues, and enterprise training products will also address issues affecting women and migrant workers. The project has helped to improve sustainable employment quality for 123,807 women in 107 garment factories.</p> <p><b>IFC EAP STRATEGY</b>  BW also aligns with IFC's East Asia and Pacific (EAP) regional investment and advisory services strategy that emphasizes IDA countries and on increasing sustainability in order to address environmental and social problems. BW is aligned as well with IFC's growing emphasis in advisory services on programs that are replicable and scalable, and BW is highly suited to the EAP region where labor intensive industries play an important and growing role in global supply chains.</p> <p><b>IFC SUSTAINABILITY STRATEGY</b>  BW is in line with IFC's sustainability strategy which is laid out in the 2005 Sustainability Report, which calls for pro-active management of environmental and social sustainability in order to ensure that private enterprise development benefits employees and local communities and not just shareholders. IFC launched the new edition of its Environmental</p>					

	<p>and Social Performance Standards (PS2) in April 2006. As with PS1, these apply to all IFC client companies and now require compliance with core international labor standards. The Better Work program is intended to raise the bar to go beyond compliance with international labor standards and introduce these in a number of industries. It will also help build up a network of auditing and remediation institutions around the world that can serve IFC's investment clients to ensure that they comply with core labor standards.</p> <p>Furthermore, the Project is aligned with IFC's Social Responsibility practice area which works with clients and the wider private sector, and in collaboration with international organizations and other partners, to develop innovative products and programs that demonstrate the business case for Corporate Social Responsibility and work towards market transformation. By showing that improved labor practices increase both productivity and competitiveness, the proposed BW Project will contribute to proving the business case for corporate social responsibility.</p> <p>Better Work Vietnam was set up to be sustainable by charging fees for services and move towards sustainable cost-recovery within five years. The Project has defined a sustainability plan at the beginning with a well defined fee structure for all BWV services. The evidence that the private sector (including factories and Buyers) paid for BWV services with total fees of \$462,704 demonstrated the client commitment and the project relevance.</p>					
2. Output Achievement (i)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
Rationale	<p>The output achievement is rated as satisfactory (9 out of 12 indicators meet/exceed targets).</p> <p>Below are summary of output achievements by key components:</p> <p>1. Assessment:</p> <ul style="list-style-type: none"> <li>- Total 117 factories registered for assessment and advisory services (80% of target set), and BWV has delivered assessment to 107 factories including 9 factories continued with second assessment (in total 116 assessments have conducted). BW assessment is conducted to monitor compliance of the garment factories with international labor standards and national labor law. These eight clusters include: (i) four areas of national labor law - compensation, contracts and human resources, occupational safety and health, and working time and (ii) four fundamental rights related to international labor standard - freedom of association, forced or compulsory labor, child labor and discrimination.</li> <li>- BWV released two synthesis reports, for factories that were assessed between December 2009 and December 2010. The findings of the two synthesis reports are consistent and also in line with the general findings of MoLISA inspectors during their enterprise inspections. From these findings BWV is taking in advisory work to address key non-compliance issues: <ul style="list-style-type: none"> <li>+ Freedom of Association and Collective Bargaining: The separation of functions of factory management and worker representation is an important aspect of strengthening the trust of workers in trade unions and will be addressed on a pilot basis together with a parallel ILO Industrial Relations program and the VGCL.</li> <li>+ Occupational Health and Safety: To help develop feasibility studies, increase training for workers on use of personal protective equipment, and address issues of chemical handling, labeling, storage, and exposure.</li> <li>+ Compensation: Key focus to ensure their compensation system is in line with requirements regarding maternity benefits, overtime, work at night, annual leave, and break times.</li> <li>+ Discrimination: To help companies to improve recruitment procedures to prevent gender and/or pregnancy discrimination in job advertisements or during the recruitment process.</li> <li>+ Working Hours: Excessive overtime is a problem at almost all factories in Vietnam and more globally in the apparel industry. BWV is working with factories to ensure they are transparent and find ways to improve productivity.</li> </ul> </li> </ul> <p>2. Advisory/Training services:</p> <p>BW has also provided advisory services to 92 factories to assist factories with improvement plans, implementation and training services facilitation. All of the factories in the advisory stage have set up Performance Improvement Consultative Committees (PICCs) and those</p>					

who have been in operation for 6 months or more are increasingly able to facilitate those meetings independently. It is the goal of the program to create a self-sustainability of the PICCs so Better Work staff can focus on providing technical inputs and the PICC members can run their own meetings and follow up processes.

These factories have been working closely with BWV team to make the suggested changes. BWV conducted monthly advisory visits to monitor the progress overtime. A full progress report every four months is prepared for each factory. So far, a total of 731 reports have been prepared with about 1,811 recommended procedures, practices to help factories' improvements in the eight non compliance areas identified from BWV assessments.

The program conducted 59 trainings during the period for 11,265 workers. This is below its target on training delivery given the low willingness to pay from local factories during this financial crisis period. These trainings included supervisory skills training and single issue training courses. "empowering unions" training. BWV also held four technical issue-specific seminars for its participating factories, focused on conducting occupational health and safety risk assessment.

It organized two events on Worker Safety Run in 2010 and 2011, providing roughly 4,297 workers with an opportunity to learn about how to prevent accidents at work and ensure safe workplaces.

The worker awareness training on rights and responsibilities are conducted at factories' sites using soap operas and comic books. The Project has worked well in building capacity for trainers, providing training to 129 persons, exceeding target set of 25. These trainers included BWV's EAs, trainers from BWV's partners who deliver BWV training courses to its participating factories (such as ISM, VCCI) or its stakeholder in the PAC who can also deliver the training to non BWV factories such as MOLISA & VCCI.

**3. Sustainability and stakeholder engagement**

The Project continued to engage with key stakeholders and build the foundations for sustainability. It organized 20 events, forum, and workshops with international and local Buyers, MoLISA, VCCI, VGCL, factories to introduce about the program, marketing its services and products, consulting on key policy and legal issues and attract registration from factories and Buyers to BWV.

Local, regional and international representatives of these buyers are actively engaged with the program and there is a sense of growing trust and partnership with buyers. A total of 30 buyers/vendors have registered for factory reports.

BWV has very good media coverage: attracted interest from more 94 media sources about the program to help improve working conditions at the garment factories.

The Project does not fully meet some targets on number of factories assessed and the assessment reports completed as well as training delivery. There are a number of reasons for this shortfall:

- (i) Ambitious target setting as the Project originally envisioned oversubscription of factories to the program.
- (ii) BWV services are new to the market; factories have not been familiar with Better Work brand and services. BWV relies on commitment from buyers, and willingness to pay from factories. While buyers encouraged their suppliers to register, they don't have differentiated incentives for participating and non-participating factories in their supply chain. Factories need more time to build their confidence and see competitive advantages in BWV services.
- (iii) BWV participation is not mandatory as in Cambodia where the government has been mandating export companies to participate in BFC.
- (iv) Long start-up period: It had taken almost 6 months to rent and receive operating office license for BWV as well as long time for recruiting and training the EA team. The BWV service launched officially in Oct 2009, but began to transition from its initial start up phase to more systematic program operations since Jan 2010.

The regular dialogues between BWV with participating factories and Buyers provide timely feedback to BWV. The evidence that there are more factories and buyers registered for BWV services shows an evidence of satisfaction. Also the strong supports from the PAC to

	<p>the program confirmed that the Project has been working well towards its goals. We could not track satisfaction on training because it is impractical to collect feedback on big training events such as workers trainings with 500-1,000 workers. The feedback on stakeholder meetings (PAC or Buyers' Forum) is not collected as these are high level dialogues and not knowledge transfer forum.</p>					
3. Outcome Achievement (i)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rationale	<p>The outcome achievement is rated as satisfactory.</p> <p>The Project meets or exceeds most targets on outcomes:</p> <p>1. Assessment: 107 factories (100% of factories received assessment services) after receiving BW assessments, have developed plans for improvement with BW enterprise advisor by joining the next stage (exceeding target of 105) - Data source: BWV factories tracking database.</p> <p>2. Advisory/training services:</p> <p>All 92 factories received advisory services have implemented 277 recommended changes to improve the working conditions at their factories. From BWV progress reports, changes have been made by factories to improve their OHS system, worker-management dialogue via the set of PICC as well as other non compliance issues mentioned above at the factories in the changes (exceeding target set of 88). The number of recommended procedure/practices were improved/eliminated have far exceeded the target set because on average, each assessment report will have about 20 non compliance points for improvement or correction.</p> <p>- The Tufts- M&amp;E Factory report also indicated after two years in BWV, factory managers changed their perception of the role of the trade union, factory worker committees and the PICC in resolving problems within the factory. In 2010, many factory managers were unsure of the value of such committees or saw these committees as very ineffective. By 2011, factory managers who have participated in the M&amp;E for two years uniformly regard worker committees as somewhat effective or very effective in improving worker-manager relations.</p> <p>-The number of MSME reached is 150 (meeting the target set).This is the same as number of entities receiving training/assessment/advisory services from BWV (IDG indicator).</p> <p>- The reasons that the Project is below its outcome target on training delivery have been explained in Output session.</p> <p>3. Sustainability and stakeholder engagement</p> <p>There are 30 Buyers have registered to buy BWV assessment reports, exceeding the target set of 15 which show strong buy-in and commitment from Buyers to BWV.</p>					
4. Impact Achievement (i)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rationale	<p>The impact achievement is rated as satisfactory.</p> <p>The Project mostly meets or exceeds targets on outcomes, except revenues generated by BWV.</p> <p>- It helps improve the working conditions a total of 154,657 workers (exceeding target of 150,000) of which 123,807 are women (exceeding target of 100,000). The evidence from the improvements can be seen from the second assessment reports for repeated factories as well as from the improvement plans and progress reports showing the improvements for those factories have not been through second assessments. (Data source: BWV factories database including registration, assessment report and progress reports from advisory services).</p> <p>- The total aggregate private sector saving from reducing duplicating audits amounts to \$836,628 exceeding target set of \$325,500.</p> <p>- The number of entities reporting improved performance is 92, are those received advisory services that have shown on a number of improvements made in their operation such as PICC set up, worker-manager dialogue improvement and OHS system improvement (Source: BWV progress reports and second assessment reports).</p> <p>- However, BWV is still fall short on its fee collection, its revenues achieved is \$462,703, or 53% target revenues. The reasons for this shortfall have been explained in Output session.</p>					

	<p>In the IFC's Grant Agreement signed with ILO, the following targets were set for BWV by end its two years of operation:</p> <ul style="list-style-type: none"> <li>- Number of factories participating : 150</li> <li>- Cost recovery rate of 57%, with a requirement to redesign if the rate falls below 34%, or early closure if the rate fall below 17%.</li> </ul> <p>By June 2011, after 18 months of BWV full operation:</p> <ul style="list-style-type: none"> <li>- BWV has met the target in delivering services to 150 factories.</li> <li>- The cost recovery rate (unofficial available data from BWV) was about 28 %: following the Grant agreement, the cost recovery rate below 34% which triggers a Project design review. Taking into account the need for a start up period and the target set based on factories oversubscription at the onset and fee collection has been a common issue across all BW Projects a review of sustainability plan needs to be conducted to make it more practical.</li> </ul>					
5. Efficiency (i)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
Rationale	<p>The efficiency is rated as satisfactory.</p> <p>The Project is on track with the projected budget (96% of budget spent, or \$1,715,000). Total revenues generated from BWV delivering assessment, training and advisory services to factories and Buyers are \$462,703. Total private sector savings from reduction of duplicate audits is \$836,628.</p> <p>It helps improve the labor conditions to 154,657 workers from 107 factories. On average, IFC spent about \$11 per worker, to help improve their labor condition. Based on World Bank research in the Vietnamese apparel industry, redundant audits cost approximately US\$50 per worker per year to help improve their labor condition (<a href="http://www.betterwork.org/EN/buyers/Pages/home.aspx">http://www.betterwork.org/EN/buyers/Pages/home.aspx</a>). Therefore, the project is quite efficient to help improve labor condition for garment sector.</p>					
6. IFC Role and Contribution (i)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
Rationale	<p>IFC role is rated as satisfactory.</p> <p>Better Work is a unique global partnership program between the International Labor Organization (ILO) and the International Finance Corporation (IFC). Better Work combines expertise of the ILO in social dialogue and labor standards, with those of the IFC in private sector development.</p> <p>IFC added value through:</p> <ul style="list-style-type: none"> <li>• Developed an original sustainability plan for BWV operation with the introduction of “fee for services” right at the outset. IFC MPDF has extensive experience in seeding and then spinning off self-financing, independent institutions such as World Hotel Link, Bank Training Center in Vietnam and ACLEDA Bank in Cambodia.</li> <li>• Its global and local experience in structuring advisory service projects and project implementation management. The strength of its local network and capacity to identify appropriate local training partners and consultants..</li> <li>• The IFC global expertise in training program design with Business Edge (BE) Global program, to help enhancing the capacity of trainers and training institution network particularly in Vietnam, to enhance BW training capacities.</li> </ul> <p>ILO added value through:</p> <ul style="list-style-type: none"> <li>• ILO committed in seconding the BW global training manager (funded by IFC) to work with IFC team on the development and management of the training products;</li> <li>• ILO contributed expertise in international labor standards, local labor law, and the experience building workplace cooperation as well as their tri-patie approach in improving labor standard in the factories.</li> <li>• ILO contributed lessons learnt as well as training material/capacity developed in the Better Factories Cambodia project.</li> <li>• The two organizations also added its credibility in setting up the mechanism to engage international buyers as well as facilitating the dialogue between local key</li> </ul>					

	<p>stakeholders ( PAC) and the participating factories aiming to build stronger business partnerships.</p> <p>Specifically, the role of each organization in the project includes:</p> <p>1. IFC's role:</p> <p>IFC directly managed and implemented the BW Global Training Project (under project #565128) with total budget of \$488,000 and developed a total of 20 training products for use in Vietnam and to be replicated in other BW projects in other countries, including training materials for garment enterprises and BW enterprise advisors.</p> <p>Additionally, IFC directly managed the budget of about \$400,000 (under project #561550) and implemented the following:</p> <ul style="list-style-type: none"> <li>• Standardizing and localizing Better Work training products;</li> <li>• Recruitment and training of local training partners;</li> <li>• Providing support in facilitating the buyers' forum with local industry stakeholders' participation;</li> <li>• Providing management advisory and capacity building to the Better Work Vietnam operational team;</li> <li>• At the outset, providing supports setting up the Project Advisory Committee and recruiting its members;</li> <li>• Supporting BWV in setting up financial accounting using commercial available software to ensure its compatible with its sustainability and ILO system;</li> <li>• Supporting Tufts in M&amp;E tool development, testing the tool and piloting with factories; and</li> <li>• Renting of the BWV project office in first phase.</li> </ul> <p>2. BWV role:</p> <p>IFC signed a grant agreement on March 2009 to provide ILO with total amount of USD 1,301,710.00 for the period from March 2009-June 2011 (in total 27 months). This amount covered BWV set up and operations, including:</p> <ul style="list-style-type: none"> <li>• Recruitment of BWV Program Manager (International staff), 16 enterprise advisors, 1 training coordinator and 4 admin staff (all are in ILO contract and payroll);</li> <li>• Training of EAs and staff;</li> <li>• Delivery of labor assessments and advisory services to factories geared to their continuous and sustainable improvement, including reports production;</li> <li>• Delivery of the training for factories using local training partners;</li> <li>• Organizing of PR and marketing activities for BWV;</li> <li>• Organizing of buyer forums, and stakeholder engagement meetings (such as PAC);</li> <li>• Capacity building for Ministry of Labor on TOT and revision of training material for inspectorate;</li> <li>• Capacity building for VCCI on TOT and revision of training material 9 in collaboration with IFC);</li> <li>• Capacity building for Union at the garment factories through working closely with ACTRAV (ILO-lead program), APHEDA, and the ILO Vietnam; and</li> <li>• Developing of Vietnam labor law guides.</li> </ul>
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Post completion monitoring recommendation [Based on outcome and impact indicator level recommendation within Development Results section that follows]	
Recommended	No
Recommended duration for annual post completion monitoring	
Approach for post project completion monitoring (including estimated level of effort, resources and funding source)	The impact will be monitored by BWV team and be periodic review at country level. A technical assistance project from IFC may be followed to support BWV in setting up its sustainability plan. A separate detailed PCN is being prepared and to be submitted with required time line and resources by September 2011.



## Development Results

[Double-click here](#) to get the list of mandatory indicators for each Business Line and Product.

Outputs (i)								
<input type="checkbox"/> Add Outputs Row								
Delete Row (i)	Component /Activities (i)	Discontinued (i)	Indicators (i)	Targets (i)		Results (i)		
				Cumulative		Changes during prior periods	Change during this Period	Cumulative
				Original	Revised			
<input type="checkbox"/>	Enterprise Assessment	<input type="checkbox"/> Select reason	Number of entities receiving advisory services	150.00		68.00	39.00	107.00
<input type="checkbox"/>	Enterprise Assessment	<input type="checkbox"/> Select reason	Number of reports (assessments, surveys, manuals, Phase I/strategic option reports) completed	225.00		68.00	48.00	116.00
<input type="checkbox"/>	Training /Consultancy	<input type="checkbox"/> Select reason	Number of entities receiving advisory services	125.00		150.00	0.00	150.00
<input type="checkbox"/>	Training /Consultancy	<input type="checkbox"/> Select reason	Number of reports (assessments, surveys, manuals, Phase I/strategic option reports) completed	375.00		182.00	549.00	731.00
<input type="checkbox"/>	Training /Consultancy	<input type="checkbox"/> Select reason	Number of procedures/policies/practices/standards proposed for improvement or elimination	125.00		709.00	1,102.00	1,811.00
<input type="checkbox"/>	Training /Consultancy	<input type="checkbox"/> Select reason	Number of workshops, training events, seminars, conferences, etc.	130.00		31.00	28.00	59.00
<input type="checkbox"/>	Training /Consultancy	<input checked="" type="checkbox"/> Other	Number of participants in workshops, training events, seminars, conferences, etc.	25,000.00		880.00	0.00	880.00
<input type="checkbox"/>	Training /Consultancy	<input checked="" type="checkbox"/> Other	Number of women participants in workshops, training events, seminars, conferences, etc.	12,500.00		628.00	0.00	628.00
<input type="checkbox"/>	Training /Consultancy	<input checked="" type="checkbox"/> Dropped	Number of participants providing feedback on satisfaction	12,500.00		768.00	0.00	768.00
<input type="checkbox"/>	Training /Consultancy	<input checked="" type="checkbox"/> Dropped	Number of participants reporting satisfied or very satisfied with workshops, training, seminars, conferences, etc.	8,750.00		616.00	0.00	616.00
<input type="checkbox"/>	Stakeholder Advocacy	<input type="checkbox"/> Select reason	Number of workshops, training events, seminars, conferences, etc.	10.00	8.00	17.00	3.00	20.00
<input type="checkbox"/>	Stakeholder Advocacy	<input type="checkbox"/> Select reason	Number of participants in workshops, training events, seminars, conferences, etc.	460.00	360.00	711.00	191.00	902.00
<input type="checkbox"/>	Stakeholder Advocacy	<input type="checkbox"/> Select reason	Number of women participants in workshops, training events, seminars, conferences, etc.	184.00	144.00	261.00	121.00	382.00
<input type="checkbox"/>	Stakeholder Advocacy	<input checked="" type="checkbox"/> Other	Number of participants providing feedback on satisfaction	322.00		0.00	0.00	0.00
<input type="checkbox"/>	Stakeholder Advocacy	<input checked="" type="checkbox"/> Other	Number of participants reporting satisfied or very satisfied with workshops, training, seminars,	225.00		0.00	0.00	0.00

Outputs (i)									<input type="checkbox"/> Add Outputs Row
Delete Row (i)	Component /Activities (i)	Discontinued (i)	Indicators (i)	Targets (i)		Results (i)			
				Cumulative		Changes during prior periods	Change during this Period	Cumulative	
				Original	Revised				
			conferences, etc.						
<input type="checkbox"/>	Stakeholder Advocacy	<input type="checkbox"/> Select reason	Number of media appearances	40.00		64.00	30.00	94.00	
<input type="checkbox"/>	Stakeholder Advocacy	<input type="checkbox"/> Select reason	Number of international buyers participating in Buyers'Forum	15.00		28.00	2.00	30.00	
<input type="checkbox"/>	Training /Consultancy	<input type="checkbox"/> Select reason	Number of trainers trained	25.00		34.00	95.00	129.00	

Outcome (i)													<input type="checkbox"/> Add Outcome Row
Delete Row (i)	Component /Activities (i)	Discontinued (i)	Indicators (i)	Baseline (i)		Targets (i)			Results (i)			Is post project completion monitoring by unit outstanding?	If yes, annually for how many years?
				Original A	Revised B	Original	Revised	Expect to achieve by	C	D	E=(A,B)+C+D		
<input type="checkbox"/>	Enterprise Assessment	<input type="checkbox"/> Select reason	Number of entities that implemented recommended changes	0.00		105.00		Project completion	55.00	52.00	107.00	No	Select one
<input type="checkbox"/>	Training /Consultancy	<input type="checkbox"/> Select reason	Number of entities that implemented recommended changes	0.00		88.00		Project completion	35.00	57.00	92.00	No	Select one
<input type="checkbox"/>	Training /Consultancy	<input type="checkbox"/> Select reason	Number of recommended procedures/policies/practices/standards that were improved/eliminated	0.00		88.00		Project completion	172.00	105.00	277.00	No	Select one
<input type="checkbox"/>	Stakeholder Advocacy	<input type="checkbox"/> Select reason	Number of buyers replacing their own audits with BWV EAs	0.00		8.00		Project completion	25.00	5.00	30.00	No	Select one
<input type="checkbox"/>	Training /Consultancy	<input type="checkbox"/> Select reason	Number of individuals trained by project-trained people and/or institutions	0.00		25,000.00		Project completion	6,268.00	4,997.00	11,265.00	No	Select one

Outcome (i)												<input type="checkbox"/> Add Outcome Row	
						Targets (i)			Results (i)			Is post project completion monitoring by unit outstanding?	If yes, annually for how many years?
Delete Row (i)	Component /Activities (i)	Discontinued (i)	Indicators (i)	Baseline (i)		Cumulative			Changes during prior periods	Change during this Period	Cumulat-ive		
				Original A	Revised B	Original	Revised	Expect to achieve by	C	D	E=(A,B)+C+D		
<input type="checkbox"/>	Training /Consultancy	<input type="checkbox"/> Select reason	Number of women trained by project-trained people and/or institutions	0.00		12,500.00		Project com	4,418.00	3,998.00	8,416.00	No	Select one
<input type="checkbox"/>	Whole project	<input type="checkbox"/> Select reason	MSMEs Reached (#)	0.00		150.00		Project com	150.00	0.00	150.00	No	Select one

Impacts (i)												<input type="checkbox"/> Add Impacts Row	
						Targets (i)			Results (i)			Is post project completion monitoring by unit outstanding?	If yes, annually for how many years?
Delete Row (i)	Component /Activities (i)	Discontinued (i)	Indicators (i)	Baseline (i)		Cumulative			Changes during prior periods	Change during this Period	Cumulat-ive		
				Original A	Revised B	Original	Revised	Expect to achieve by	C	D	E=(A,B)+C+D		
<input type="checkbox"/>	Whole Project	<input type="checkbox"/> Select reason	Number of entities reporting improved performance (e.g., improvements in productivity, accountability, operations, loan terms, valuations)	0.00		88.00		Project comp	0.00	92.00	92.00	No	Select one
<input type="checkbox"/>	Whole Project	<input type="checkbox"/> Select reason	Value of aggregate private sector savings from recommended changes (US\$)	0.00		0.00	348,333.00	Project comp	325,500.00	511,128.00	836,628.00	No	Select one
<input type="checkbox"/>	Whole Project	<input checked="" type="checkbox"/> Other	Sales revenue (US\$)	0.00		860,000.00		<1 yr post co	221,350.00	0.00	221,350.00	Select one	Select one
<input type="checkbox"/>	Whole Project	<input type="checkbox"/> Select reason	Number of people benefitting from an entity's improved labor practices	0.00		150,000.00		Project comp	114,564.00	40,093.00	154,657.00	No	Select one
<input type="checkbox"/>	Whole Project	<input type="checkbox"/> Select reason	Number of women benefitting from an entity's improved labor practices	0.00		100,000.00		Project comp	91,714.00	32,093.00	123,807.00	No	Select one

Impacts (i)												<input type="checkbox"/> Add Impacts Row	
						Targets (i)			Results (i)			Is post project completion monitoring by unit outstanding?	If yes, annually for how many years?
Delete Row (i)	Component /Activities (i)	Discontinued (i)	Indicators (i)	Baseline (i)		Cumulative			Changes during prior periods	Change during this Period	Cumulat -ive		
				Original A	Revised B	Original	Revised	Expect to achieve by	C	D	E=(A,B) +C+D		
<input type="checkbox"/>	Whole Project	<input type="checkbox"/> Select reason	MSMEs Revenues (US\$)	0.00		860,000.00		Project com	221,350.00	241,353.00	462,703.00	No	Select one

### Comments on development results achieved

Entire Project (including additional relevant results (positive and negative) other than those planned)	<ul style="list-style-type: none"> <li>- Assessment reports, progress reports and improvement plans of the factories are confidential reports which are uploaded on BW Information system STAR and can only be shared to outsiders with relevant factories' acceptance and available from BW staff only.</li> <li>- Number of reports have far exceeded the target set at the beginning, as advisory reports are prepared on each monthly visits, and a full progress report every four months per factory participating in advisory services..</li> </ul>
Reporting period since last supervision	<p>The value of Private sector savings in 6th supervision : \$504,900= 163*\$4,000- \$140,872</p> <p>+ 163 reports purchased by buyers, estimated cost of audit per factory (paid by each factory/buyer) is \$4,000 without BWV</p> <p>+ Total payment from private sector to BWV is \$140,872: from factories( \$500 * 53 ) plus total cost from buyers paying to access report of \$114,372 (BWV accounts)</p>

<b>Budget Sources (USD):</b>		[Budget information is pre-populated from IBIS. <a href="#">Double-click here</a> to view/create/edit budget data.] Note: The line items for pre-implementation DO NOT expand.							
Stage	Source of Funds	Budget		Secured		Actuals			
		Original	Current	Amt	%	Cumulative till previous period	For this period	Total	% of secured
			A	B	C = B/A	D	E	F = D + E	G = F/B
<b>Funding</b>									
Preimplementation		50,000	50,000	50,000	100	27,873	0	27,873	56
Implementation		1,888,328	1,742,543	1,742,543	100	1,704,530	2,318	1,706,848	98
IFC									
Donors									
Pooled Funds									
MPDF core fund rolled over : Pooled Trust Fund	TF091341		395,023	395,023	100	395,023	0	395,023	100
MPDFIII pooled fund : Pooled Trust Fund	TF092169		1,347,520	1,347,520	100	1,309,507	2,318	1,311,825	97
<b>Post Implementation</b>		0	0	0		0	0	0	
IFC									
Donors									
Pooled Funds									
<b>Revenue</b>									
Preimplementation		0	0	0		0	0	0	
Implementation		0	0	0		0	0	0	
Cash Fees									
Investment Income									
Fees not for Project									
<b>Post Implementation</b>		0	0	0		0	0	0	
Cash Fees									
Investment Income									
Fees not for Project									
<b>Total Funds Managed by IFC (does not include Fees not for Project)</b>		1,938,328	1,792,543	1,792,543	100				
<b>Additional Contributions</b>									
Preimplementation		0	0	0		0	0	0	
Implementation		0	861,000	462,704	54	462,704	0	462,704	100
Client/Beneficiary Parallel Support			861,000	462,704	54	462,704	0	462,704	100
<b>Post Implementation</b>		0	0	0		0	0	0	
<b>Total Project Size (Total Funds Managed by IFC + Total Additional Contributions)</b>		1,938,328	2,653,543	2,255,247	85				

Comments/Explanation for significant variances:

<b>Budget Uses (USD):</b>		[Budget information is pre-populated from IBIS. <a href="#">Double-click here</a> to view/create/edit budget data.] Note: The line items for pre-implementation DO NOT expand.								
Uses if Total Funds managed by IFC	For this period				Total Uses				Total Budget	% Spent
	Budget	Actual Expenses	Amt Variance	% Variance	Budget	Actual Expenses	Amt Variance	% Variance		
	A	B	C = A-B	D = C/A	E	F	G = E-F	H = G/E		
<b>Preimplementation</b>	0	0	0		50,000	27,873	22,127	44	50,000	56



<b>Implementation</b>	<b>0</b>	<b>2,318</b>	<b>-2,318</b>		<b>1,742,543</b>	<b>1,706,849</b>	<b>35,694</b>	<b>2</b>	<b>1,742,543</b>	<b>98</b>
Staff Costs	0	2,315	-2,315		178,430	160,401	18,029	10	178,430	90
Consultants	0	0	0		88,187	78,635	9,552	11	88,187	89
ET Consult. & Temps	0	0	0		18,893	18,892	1	0	18,893	100
Travel Costs	0	2	-2		47,457	43,293	4,164	9	47,457	91
Contractual Services	0	0	0		34,295	38,540	-4,245	-12	34,295	112
Communications & IT Chargeback	0	0	0		1,101	1,111	-10	-1	1,101	101
Office Rent (Office Rent/Lease/Ownership)	0	0	0		67,807	59,200	8,607	13	67,807	87
Office Equip. & Furniture., Other Equip. & Build	0	0	0		732	733	-1	-0	732	100
Other Expenses	0	0	0		3,931	4,336	-405	-10	3,931	110
Development Grant (Grants, Donations & Ext Participant Cost)	0	0	0		1,301,710	1,301,710	0	0	1,301,710	100
<b>Post Implementation</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>0</b>	<b>0</b>	<b>0</b>		<b>0</b>	
<b>Total Uses</b>	<b>0</b>	<b>2,318</b>	<b>-2,318</b>		<b>1,792,543</b>	<b>1,734,722</b>	<b>57,821</b>	<b>3</b>	<b>1,792,543</b>	<b>97</b>

\*\* 0 of staff costs comes from RMS

<b>Pricing Goals (i)</b>	
Charging for Products/Services (Yes/No)	Yes
Charging details	<p>Annual assesment fee from participating private sector factories = USD500 paid upfront upon enrollment</p> <p>Annual advisory services fee for factories = USD1,500 paid upfront upon enrollment or in two tranches</p> <p>Training fees (average fee per participant per day) = USD25 paid upfront upon enrollment</p> <p>Buyers' fee per factory to access factory reports = USD500 paid upfront upon enrollment</p> <p>All of the above mentioned fees will be collected and managed by the ILO with periodic reviewed by the IFC BWV team.</p>
Comments Describe the key factors in setting the charging structure. If No selected above, specify reason.	<p>Key factors in determining the charging structure are based on the following:</p> <ol style="list-style-type: none"> <li>1. Discussions with international buyers and employers' association</li> <li>2. Current market prices of labor audits (range of USD1,000 to USD3,000)</li> <li>3. Existing Better Factories Cambodia fee structure for assessments and existing fee structure for training services, i.e. International Garment Training Center in Vietnam</li> </ol> <p>The fees generated would be used to contribute to cover operational costs of the project during the initial two years, but, over time, is expected to fully cover all operational expenses. Development costs such as training products, training of local trainers, assessment tool, labor law guide and project set-up are funded through donor funds but will benefit the entire industry, specifically companies interested in improving their labor standards. Labor inspectors from the Ministry of Labor who will also be trained to use the assessment tool.</p>



WBS Status								<input type="checkbox"/> Add WBS Row
Delete Row (i)	Discontinued (i)	WBS element	Name	Closed	Expected/ Actual close date	Outstanding commitments	Outstanding Fees	Comments
<input type="checkbox"/>	<input type="checkbox"/>	IFC-00561550-TF092169-P	ESS-VNBetterWork	Yes	Jun. 30, 2011			

**Timeline:**

Delete Row (i)	Key Activities for Reporting Period	Activity Status	Timeline <span style="float: right;"><input type="checkbox"/> Add Timeline Row</span>
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*Explanation for delays in start and/or completion of key activities and resulting impact on overall project timeframe.*  
The timeline is on track with the latest approved timeline in July 2010 to account for the delay in signing of Grant agreement and the recruitment of BWV Manager.

**Consultants:** [This information should be entered manually]

Delete Row (i)	Consultant Name/Firm	Expertise/Comments [In line with IFC Legal requirements, consultant performance information should NOT be provided]	<input type="checkbox"/> Add Consultant Row
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**Project Team:** [This information should be automatically populated from iDESK]

Core Team Members	Primary	Proxies
Transaction Leader	Hong Thi Thu Dang	Lien Thi Dao, Kim Vai Chung Poon, Nhung Cam Thi Cao
Monitoring and Evaluations Officer	Hanh Thi Bich Le	Sanwaree Sethi, Lien Thi Dao, Shelly Hahn, Alexis Diamond, Sokleang Kim, Charles Lor
Finance Officer	Kenan Erkan	Nhung Thi Tuyet Tran, Kheang Touch
Team Assistant	Nhung Cam Thi Cao	Kim Vai Chung Poon
Other Team Members	OEG Monitoring	
Management Team	Primary	Proxies
Unit Line Manager	Cerstin Sander	Rashmi Kharbanda
Business Line Specialist 1	Larissa Luy Vasquez	Fayana A. Willie, Chris Richards, Vinitha R. Jayalal, Oleh P. Khalayim, Naurin Muzaffar, Tara Ann Holeman
Business Line Specialist 2		
Business Line Specialist 3		
Business Line Specialist 4		
Business Line Specialist 5		
Unit Manager	Tania Lozansky	Rashmi Kharbanda, Kim Vai Chung Poon

**Additional Comment(s):**

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**Review and Approval Status:** [This information should be automatically populated from iDESK]

TL Initiate Completion - Initiate Completion by Thu Hong Dang at 09/08/2011 05:37:25 AM
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Comment : Comments in PCR meeting on August 4 by RHAS, GPS, and M&E have been addressed

M&E Officer Review - Cleared to Unit Manager by Bich Hanh Le at 09/08/2011 11:28:08 PM

Comment : For over 2 years in full operations, the Team has managed to delivered a big volume of results, and although actual revenue of BWV is short of the initial target the project is still a successful one because it normally takes longer time to be fully cost recovered for the similar interventions.

Finance Officer Review - Automatically Released after 7 days by Kenan Erkan at 09/15/2011 06:00:18 AM

Comment :

Business Line Specialist 1 Clear - Automatically Released after 8 days by Tara Holeman at 09/16/2011 06:17:16 AM

Comment :

Unit Manager Approve - Approved by Tania Lozansky at 09/20/2011 04:02:47 PM

Comment : A successful collaboration with ILO in Vietnam as part of the IFC-ILO Better Work Global partnership - with significant gender impact. Next phase of this partnership for Vietnam is presently under design.