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Policy Development Section **POL**

Social Dialogue Segment

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Follow-up to the high-level evaluation of the ILO's Better Work programme

Progress and lessons learned concerning the Phase V Strategy (2022–27) and implications for Phase VI

Purpose of the document

This document follows up on the independent high-level evaluation (HLE) of the Better Work programme and the mid-term evaluation of Better Work Phase V (2022–27). It provides an update on programme developments since the Governing Body's discussion of Better Work in 2024 at its 350th Session (March 2024), reports on progress made in implementing the Office's response to the evaluation recommendations, and identifies principal lessons learned. The document also outlines considerations that can inform potential strategic directions for Better Work Phase VI (mid-2027–32). (See the draft decision in paragraph 53.)

Relevant strategic objective: All.

Main relevant outcome: Outcomes 2, 4, 5, 6, 7 and 9.

Policy implications: Informing and applying Office strategies and actions, including in relation to decent work in supply chains.

Legal implications: None.

Financial implications: None.

Follow-up action required: See the draft decision paragraph 53.

Author unit: Labour Governance and Sectoral Policies Department (GOVERNANCE).

Related documents: GB.350/POL/2; GB.350/POL/2/Decision; GB.355/PFA/6; GB.356/INS/7.

▶ Introduction and overview

Introduction

1. At its 350th Session (March 2024), the Governing Body noted the Office's update on the Better Work programme and requested the Director-General to take its guidance into account in the management of the programme and to report, at its November 2026 session, on the evaluation of Better Work Phase V (2022–27), with a view to informing Better Work Phase VI (mid-2027–32). [1]

2. At its 355th Session (November 2025), the findings and recommendations of the independent high-level evaluation (HLE) of Better Work for the period 2014–25, together with the mid-term evaluation of Phase V were presented to the Governing Body. The Governing Body requested the Director-General to take the recommendations of the three independent HLEs presented in document GB.355/PFA/6 (paragraphs 22–25, 42–46 and 69–74), into consideration and ensure their appropriate implementation in line with the Office response. [2]

3. The discussion on Better Work takes place against a significantly changing operating environment, marked by shifts in trade and supply chains, geopolitical tensions and pressure on official development assistance. It also comes in the context of the implementation of the ILO Strategy on Decent Work in Supply Chains; the March 2026 discussion on possible initiatives complementing the existing body of international labour standards in supply chains; the Development Cooperation Strategy and other relevant strategies and action plans; and the Office's ongoing reform and reprioritization process.

4. This paper (i) provides an overview of Better Work; (ii) reports on programme developments since the 2024 update, including findings from research and evidence; (iii) presents the HLE recommendations, progress in their implementation and the principal lessons learned; and (iv) sets out considerations for Phase VI.

5. The programme is at an important crossroads. Considerations for the next phase fall into two key areas: (i) the future of Better Work's enterprise-level work to promote compliance and decent work; and (ii) strengthening the contribution of Better Work's experience, evidence and approaches to wider ILO and constituent efforts towards an enabling environment for decent work and competitiveness, within One-ILO frameworks.

Programme overview

6. Better Work is an ILO flagship programme implemented in partnership with the International Finance Corporation (IFC), a member of the World Bank Group. Using the garment sector as an entry point, Better Work supports enterprises to comply with national labour laws and principles of international labour standards and improve working conditions through enterprise-level assessments, advisory services and training, while contributing to broader efforts to advance decent work and competitiveness.

[1] GB.350/PV, para. 773.

[2] GB.355/PV(Rev.1), para. 1205.

7. The programme currently operates in 11 countries across four regions, reaching approximately 2,326 participating factories and 3.8 million workers. [3] It engages a broad range of stakeholders, including governments, representative employers' and workers' organizations, factory managers and workers, development partners and brands, retailers and manufacturers from the garment sector. The programme has public–private partnerships with 49 global brands and retailers. Over 100 additional brands purchase assessment reports, committing to support factory improvement processes (see appendix 1 for further details by country).

8. Social dialogue and gender equality are integral to this work. Better Work supports bipartite social dialogue mechanisms at the enterprise level, including workplace cooperation and worker–management committees, especially where legally mandated. It also promotes gender equality and non-discrimination, including women's participation in social dialogue, skills development, disability inclusion and measures to prevent violence and harassment at work.

9. The programme shares its approaches and evidence with constituents and industry stakeholders and works with ILO technical and policy departments to identify and address decent work deficits, promote fundamental principles and rights at work, and extend good practices beyond its direct operational footprint.

10. The programme's global governance arrangements comprise a Management Group and an Advisory Committee. The Management Group, traditionally comprising two senior ILO and two senior IFC officials, provides strategic guidance to the programme. It is supported by an Advisory Committee comprising representatives of donor governments, international, national and sectoral employers' and workers' organizations, buyer partners and independent experts.

11. At country level, tripartite Project Advisory Committees (PACs) comprise representatives of ministries of labour and, where relevant, other ministries, as well as national and sectoral social partners. PACs provide strategic guidance, including on sustainability and transitions, and support programme alignment with national and sectoral priorities. Programme findings and evidence also inform PAC discussions on policy and institutional responses to systemic constraints that cannot be addressed at enterprise level alone.

Programme developments since 2024

12. Better Work's staffing model reflects its strong focus on country-level delivery and impact. Of its 174 staff, the vast majority are deployed across 11 country programmes, working closely with constituents. This field presence is supported by a lean global structure, with 9 staff in the Geneva secretariat and 11 in Bangkok providing strategic direction, technical support and global coordination and oversight.

13. The Better Work country programme portfolio has evolved significantly since 2024. Better Work Nicaragua closed in 2025 following the Government's communication in February 2025 of its decision to withdraw from the ILO, [4] while unexpected funding cuts disrupted operations in Jordan and Haiti. In Haiti, operations have continued at a reduced scale, supported first by private-sector funding and subsequently by funding from the Government of Haiti. Operations in Jordan paused in 2025 but the Government has since requested the programme's re-establishment, with prospective government financing and support from other sources

[3] Bangladesh, Cambodia, Egypt, Ethiopia, Haiti, Indonesia, Madagascar, Pakistan, Sri Lanka, Uzbekistan and Viet Nam. Figures as of October 2026.

[4] GB.353/INS/15(Add.1).

under an integrated One-ILO approach. In Benin, a feasibility assessment is under way following a request for Better Work, with a view to possible engagement through an integrated One-ILO approach.

14. Trade and investment frameworks continue to shape the context in which Better Work operates. In some countries, factory participation in Better Work continues to be linked to trade and export requirements, as in Cambodia and Haiti. More broadly, evolving trade, investment and market-access requirements are bringing greater attention to compliance and decent work, shaping growing requests beyond export-oriented garment factories.

15. While Better Work continues to be a partnership between the ILO and IFC, the programme's global governance arrangements have evolved following restructuring of the World Bank Group in 2026. The Management Group now comprises two senior World Bank Group representatives instead of the IFC representatives.

16. As part of the ILO's reform and reprioritization process, Better Work's position within the Office's organizational structure has evolved. Better Work is now established as a departmental programme within the newly formed Labour Governance and Sectoral Policies Department (GOVERNANCE). The new structure is intended to facilitate greater synergies and more integrated ways of working within the Department and across the Office, including by connecting Better Work's enterprise-level experience, data and evidence with relevant technical and policy work at sector and national levels.

17. During the 2024–25 biennium, Better Work contributed to results under the ILO programme and budget in areas including improved compliance, productivity, gender equality, labour administration and inspection, social dialogue and industrial relations. Recent independent research provides further evidence of Better Work's contribution to improved compliance and decent work. Findings show substantial compliance gains over time and provide evidence on freedom of association and collective bargaining, gender equality, productivity and competitiveness, and the conditions needed to sustain improvements (see appendix 2).

18. Better Work has maintained a broad mix of funding sources during the strategic phase. Funding has come from long-standing development partners (47 per cent), including the Governments of Australia, Canada, Germany, Japan, the Kingdom of the Netherlands, the Republic of Korea and Switzerland, as well as the European Commission and the United States of America. Funding from private-sector partners has increased (42 per cent) and has included international brands, factories and corporate foundations. Other contributions have also been received from national governments and counterparts (7 per cent), the ILO (3 per cent) and from international and regional financial institutions (1 per cent), including the World Bank Group, the European Bank for Reconstruction and Development, and the Asian Development Bank.

19. The programme's funding base has become more diversified, including through increased domestic financing, with new contributions from Haiti and Uzbekistan, alongside continued government and industry financing in Cambodia and Pakistan, and an anticipated financial contribution from Jordan. Cambodia illustrates how programme financing may shift over time. The programme initially relied more heavily on funding from development partners but is now mainly financed through national government and industry contributions. Experience from Cambodia and other country programmes can inform financing approaches adapted to national circumstances, while maintaining an appropriate balance of funding sources to safeguard the programme's independence, impartiality and credibility.

20. While the programme faced unexpected funding reductions in 2025, it was able to maintain most programme delivery through its diversified funding base, expenditure reductions and targeted staffing adjustments. The outlook for traditional development–partner financing remains constrained, with uncertainty regarding funding levels for the next phase.

▶ High-level evaluation and implementation of recommendations

21. At its 350th Session (March 2024), the Governing Body discussed an update on Better Work. The discussion highlighted the importance of maintaining effective enterprise-level engagement and a clear programme focus; strengthening integration with relevant ILO technical work while avoiding duplication; continued engagement with buyers; and sustainable, country-specific transition and financing arrangements. Other points raised included adapting programme design to national circumstances and strengthening constituent and institutional capacity and ownership; worker participation, social dialogue, freedom of association and collective bargaining; and improved use and sharing of data and evidence.

22. At its 355th Session (November 2025), the Governing Body considered an independent HLE of the ILO's Better Work programme and the mid-term evaluation of Better Work Phase V (2022–27). The HLE found Better Work to be highly relevant and effective, with measurable contributions to compliance, working conditions and productivity and strong engagement with constituents and buyers. It identified the ILO–IFC partnership, the programme's research and evidence base, the use of supply chain and trade as an entry point for decent work, and the combination of enterprise-level interventions with wider ILO policy engagement as important strengths. The HLE also recognized Better Work's contribution to gender equality, including improvements in women's working conditions, opportunities for advancement and efforts to prevent sexual harassment.

23. Sustainability was assessed as the programme's weakest dimension, with challenges including the efficiency and scalability of the resource-intensive enterprise engagement model, dependence on development cooperation financing, slow progress on time-bound country transitions and uneven readiness of national institutions and constituents to assume programme functions. Persistent challenges were also identified in addressing deficits in occupational safety and health (OSH) and in freedom of association and collective bargaining, underscoring the limits of factory-level efforts without systemic reforms, while progress on gender equality and inclusion had yet to be fully institutionalized and brought to scale.

24. In discussing the HLE, the Governing Body recognized Better Work's contributions to improved compliance and working conditions and emphasized the importance of accelerating sustainability and transitions. The discussion highlighted, inter alia, the need for sustainable and adequately financed country transitions, taking into account country needs and timelines; stronger constituent and institutional capacity and ownership, including through the sharing of tools, approaches and data; greater integration of Better Work within wider ILO approaches; and continued attention to social dialogue, particularly freedom of association and collective bargaining, and occupational safety and health. The importance of Better Work's experience, tools and evidence, including in relation to gender equality and productivity, was also highlighted. The Governing Body requested the Director-General to take the HLE recommendations into consideration and ensure appropriate implementation in line with the Office response.

Progress in implementing the HLE recommendations

25. Following the Governing Body's consideration of the HLE recommendations in November 2025, the Office has advanced work against the recommendations, building on initiatives already under way in some instances. The following summarizes progress made over the past year since the HLE. Several actions remain under development or are being tested and will inform the development of Phase VI.

Recommendation 1: Transitions in long-standing programmes

26. Time-bound transition plans are being implemented in Indonesia and are at an earlier stage in Viet Nam, reflecting agreements with national constituents and taking account of donor commitments and stakeholder consultations. In Indonesia, enterprise-level work has progressively shifted to the national Yayasan Kemitraan Kerja Foundation, established with ILO support. Two remaining Better Work staff work closely with the Decent Work Country Team and the programme secretariat to maintain linkages between enterprise-level data and evidence and wider ILO technical and policy work, support constituent capacity-building, strengthen social dialogue processes and maintain engagement with buyers and industry stakeholders.

27. In Viet Nam, the transition from direct Better Work enterprise-level work has commenced following consultations with tripartite constituents and donor agreements. The plan over the rest of the strategic phase envisions the progressive uptake by national constituents and other local institutions of relevant tools, approaches and functions, according to their respective capacities. A smaller Better Work team will support and monitor the transition in close consultation with the PAC and industry stakeholders, adjusting the enterprise and sector-level support accordingly to maintain a credible process and stakeholder confidence, taking available funding into account. The team will also facilitate buyer engagement and synergies with the Decent Work Country Programme (DWCP) and other ILO projects.

28. In Bangladesh and Cambodia, Better Work is working with ILO country offices, tripartite constituents and industry stakeholders to develop country-specific approaches and timelines for sustainability and transition. With social dialogue as a foundation, consideration includes institutional capacity and readiness, trade and economic development priorities, graduation from least developed country status and available financing, with a view to identifying the conditions for responsible transition and strengthening national capacity and ownership.

29. Taken together, experience across these country contexts highlights the importance of transition approaches tailored to national circumstances while guided by common principles. Better Work will work with its Advisory Committee and Management Group to review ongoing transitions and develop transition guidelines. Considerations include tripartite governance, ILO oversight, stakeholder engagement, alignment with DWCP priorities and arrangements to safeguard workers' rights and participation, support productivity and maintain the credibility and quality of relevant services.

Recommendation 2: Evolution of the factory engagement model

30. Better Work is adapting its enterprise engagement model to improve flexibility, scalability and efficiency, while maintaining programme quality, worker and employer engagement and assessment credibility. Approaches being developed and tested in Cambodia and Bangladesh include different measures such as more differentiated and time-bound interventions based on enterprise capacity and working conditions; streamlined advisory and training services; greater use of risk analysis and programme, administrative and national data to identify

compliance patterns and target support; and strengthened management systems, social dialogue and enterprise capacity to sustain improvements with reduced reliance on direct Better Work support.

31. Technology-enabled approaches being tested include an AI-enabled Smart Toolbox to tailor improvement measures, including gender considerations; worker-facing digital learning tools in Cambodia; and rapid factory surveys in Bangladesh, Cambodia and Pakistan to gather insights into changing factory conditions and emerging challenges. These approaches aim to improve the efficiency and effectiveness of enterprise engagement with appropriate safeguards and quality assurance.

32. Building on approaches reported to the Governing Body in 2024, and consistent with the Phase V strategic objectives, Better Work has continued to support the adaptation of relevant tools and methodologies for use by constituents and through other ILO projects and partners. In Egypt, for example, another ILO project adapted Better Work compliance assessment tools and methodologies for baseline assessments in the agricultural sector, with Better Work supporting some assessment processes. By the end of 2025, through the Better Work Academy and other collaborations, Better Work methodologies were being applied across 12 additional sectors, lower tiers of the garment value chain and 14 countries without Better Work programmes.[5] This extends the reach of Better Work approaches without requiring the establishment of full Better Work programmes.

33. Increasing delivery efficiency is also intended to strengthen the financial sustainability of enterprise-level services by reducing delivery costs and increasing cost recovery through industry contributions, where appropriate. The scope for cost recovery varies across countries and a diversified funding mix remains important to reduce reliance on any sole source.

Recommendation 3: Strengthening collaboration within the ILO

34. Better Work has increased collaboration across the Office, with greater emphasis on integrated One-ILO approaches and, where appropriate, joint programming that connects its enterprise-level experience, data and evidence with the technical and policy mandates of relevant ILO departments and units.

35. Complementing efforts on workplace cooperation, joint work with the Social Dialogue, Labour Relations and Governance of Work Branch (LABGOV) and the Fundamental Principles and Rights at Work Branch (FUNDAMENTALS) on freedom of association and collective bargaining has included capacity-building for Better Work staff, national partners and industry actors. Collaboration with the Gender, Equality, Diversity and Inclusion Branch (GEDI) and the Occupational Safety and Health and Working Environment Branch (OSHE) is strengthening OSH management systems and risk assessment tools to incorporate sexual harassment and gender-based violence dimensions. Joint approaches and intervention models are also being developed with the Inclusive Labour Markets, Working Conditions and Labour Migration Branch (FAIRWORK) and the Universal Social Protection Branch (SOCPRO) on wages and social protection. Together, these approaches provide opportunities to strengthen linkages between enterprise-level evidence, the promotion of fundamental principles and rights at work, and stronger labour market institutions and social protection systems, in response to constituent priorities and taking into account, where relevant, views of the ILO supervisory bodies. Better

[5] Applications have included use and adaptation by constituents, other ILO projects and partners, including buyers and international financial institutions, in areas including footwear and other light manufacturing, agriculture and agribusiness and hospitality.

Work is also contributing its experience to the development of training materials for social auditors on international labour standards, including fundamental principles and rights at work, jointly with the ITCILO, the Multilateral and South–South Engagement Branch (MULTILAT) and the Priority Action Programme on Supply Chains, Trade and Investment (AP/SCTI).

36. Research and data collaboration is increasingly undertaken with relevant Office units, including the Research and Statistics Department (RESTAT), the Sectoral Policies Branch (SECTOR) and AP/SCTI, and through the cross-Office Supply Chains research community, contributing to the research agenda under the ILO supply chains strategy. Better Work's evidence and operational experience have also informed ILO policy briefs and reports to International Labour Conference, including the report to the recurrent discussion on fundamental principles and rights at work, submitted to the Conference at its 112th Session (2024) and the report on the general discussion on addressing informality and promoting the transition to formality for decent work submitted to its 113th Session (2025).

37. Integrated approaches and joint programming are increasingly reflected in country programme design and delivery. In Ethiopia, Better Work operates within the One-ILO SIRAYE programme, integrating compliance and productivity interventions across apparel, coffee and horticulture, while using programme evidence to inform ILO policy work on wages and fundamental principles and rights at work. In Jordan, the proposed re-engagement is being developed through an integrated One-ILO approach linking enterprise engagement with constituent capacity-building, labour market governance and fundamental principles and rights at work. In Bangladesh, experience on maternity protection has informed labour inspection processes, programme data has informed evidence-based policy dialogue, while work on employment injury protection is strengthening links with the national social protection system. In Cambodia, collaboration covers digital wage payments, occupational safety and health, labour inspection and social protection. This integrated approach is expected to be further strengthened through the next memorandum of understanding (2028–32), which is planned to provide a framework not only for Better Factories Cambodia (BFC), but also for implementation of the DWCP. [6] In Egypt, Better Work data on minimum-wage compliance have informed clarification of wage calculations and more consistent implementation.

Recommendation 4: Increasing capacity of ILO constituents

38. Capacity-building is increasingly moving beyond stand-alone training towards strengthening the capacity of employers' and workers' organizations and national institutions, to sustain improvements in compliance and working conditions. In most countries, Better Work works closely with ministries of labour, and ILO labour standards specialists to review enterprise findings, identify gaps in the interpretation and application of labour law and strengthen implementation.

39. Better Work is also supporting national institutions and social partners to use and, where appropriate, deliver or oversee relevant tools and methodologies, alongside wider ILO efforts to strengthen labour administration and labour inspection systems. This includes adapting and sharing assessment and training tools, supporting joint interventions and strengthening cooperation with constituents and relevant ILO technical units, particularly LABGOV.

[6] The current and previous memoranda of understanding have focused specifically on BFC. For 2028–32, a new memorandum of understanding is envisaged that would broaden this framework to cover both BFC and implementation of the DWCP and will be developed in consultation with the tripartite constituents.

Collaboration to advance labour justice for all, including in relation to violence and harassment at work and the provision of effective remedies, also highlights the importance of strengthening complementarities between referral arrangements and grievance handling mechanisms and the labour dispute resolution system, including both its judicial and non-judicial components, in accordance with national law and practice.

40. Country experience illustrates different approaches to strengthening national capacity. In Viet Nam, Better Work is helping employers' organizations adapt tools and approaches for use with their members, including in other sectors such as electronics. In Cambodia, Better Work is strengthening labour administration at national and provincial levels through capacity-building and joint visits. In parallel, it is progressively transferring selected training services to the sectoral employers' organization's training institute and building trade union capacity in areas such as grievance mechanisms, wage calculation and violence and harassment prevention. In Egypt, Better Work and other ILO interventions have supported labour inspection, including by training labour inspectors and developing tools on child labour, occupational safety and health and other fundamental principles and rights at work.

Recommendation 5: Influencing brand practices

41. In alignment with the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy and the UN Guiding Principles on Business and Human Rights, Better Work continues to engage buyers to support enterprise participation, reduce duplication and operational costs at enterprise level, and promote responsible business practices that contribute to sustained improvements in working conditions. Engagement with buyers and the broader industry includes sharing evidence and promoting greater coherence and collective approaches, contributing to greater alignment of due diligence approaches with national labour laws and the principles of international labour standards, in collaboration with ILO technical specialists. Technical engagement with industry initiatives, including through the update of Better Work's assessment methodology, is contributing to the development of a generic, publicly available tool to support such alignment.

42. Other areas of work include promoting collective or harmonized approaches to persistent and emerging decent work challenges identified in Better Work enterprise engagement, consistent with international labour standards and relevant ILO guidance, including on gender equality, occupational safety and health including heat stress, grievance mechanisms and access to labour justice. With buyer partners, Better Work is exploring how buyer policies and practices can support supplier prevention of and response to violence and harassment.

▶ Key lessons learned

43. The evaluation findings, programme evidence and progress in implementing the HLE recommendations point to several lessons relevant to the future direction of Better Work.

44. Enterprise-level engagement has contributed to improvements in compliance and working conditions, but sustained workplace outcomes also depend on the wider institutional environment. Better Work's presence in enterprises and supply chains can help identify implementation gaps and improvements and generate evidence that informs wider ILO support to constituents, while ILO technical expertise and programmes can help address underlying institutional and policy constraints and strengthen constituent and institutional capacity. Embedding these complementarities more systematically in programme design,

implementation and transition can contribute to more sustainable workplace and institutional outcomes.

45. Country transitions should be guided by common programme-wide principles while allowing for country-specific, time-bound approaches developed with tripartite constituents. The pace and form of transition should take account of national conditions, constituent and institutional capacity, the structure of the sector, the wider supply-chain environment and available financing. Experience also highlights the importance of safeguarding workers' rights and participation and ensuring arrangements to maintain the independence, credibility and quality of relevant programme functions and services, particularly where Better Work engagement is reduced.

46. Changes in trade and supply chains and economic policy, as well as graduation from least developed country status are changing the context in which Better Work operates. Programme experience also confirms the importance of supply-chain, trade and investment incentives in supporting enterprise participation and providing an entry point for wider ILO and constituent engagement. Experience has also indicated that Better Work tools and approaches may be adapted and combined with other ILO tools and methods to address decent work challenges in other tiers, sectors and national contexts. Their wider application should be considered, as appropriate, through constituent-led and integrated ILO approaches, without necessarily implying an expansion of direct Better Work operations.

▶ Considerations for directions of Better Work Phase VI

47. Drawing on the evaluation findings, programme evidence, progress in implementing the HLE recommendations and internal and external consultations, the Office has identified three broad considerations to inform the development of Phase VI.

48. **First, the future role and form of enterprise-level engagement.** Enterprise-level engagement remains an important operational foundation of Better Work, but the current phase points to opportunities to improve its sustainability, efficiency and reach. Approaches now being piloted and introduced could inform its further development, notably through more differentiated and time-bound approaches that strengthen enterprise ownership and the capacity to sustain improvements, and through more agile tools and methods that increase efficiency and scale and enable their use by constituents and others as appropriate. This could include sharing and scaling relevant tools, approaches, knowledge and good practices to support improved compliance and workplace outcomes. These developments could also inform how the programme responds to constituent requests for technical assistance in new countries or beyond Better Work's traditional focus on the garment export supply chain, including through integrated ILO approaches. Enterprise-level engagement can also more systematically generate data, knowledge and evidence on the drivers of and barriers to compliance and decent work to inform wider ILO interventions while providing a practical entry point for engagement with constituents, buyers and other actors.

49. **Second, contributions to strengthening institutional sustainability through integrated ILO delivery.** Better Work's enterprise-level experience, data, evidence, tools and partnerships could contribute more systematically to wider ILO efforts to strengthen the capacity of social partners, labour administrations and relevant national institutions to promote compliance and the effective implementation of international labour standards, including through DWCPs and other policy and technical interventions. Phase VI could further strengthen approaches and

contributions to institutional sustainability and country transitions developed with tripartite constituents and adapted to national circumstances and constituent and institutional capacity. Better Work's position within GOVERNANCE provides an opportunity to facilitate these linkages, as appropriate, within the Department and across the Office, while maintaining clear roles and responsibilities.

50. **Third, a diversified financing model.** In the context of constrained funding and resources, Phase VI could pursue efficiencies and collaborative approaches, alongside greater diversification of funding in line with the ILO Development Cooperation Strategy. Development cooperation funding would remain important, but an appropriate balance of funding sources would reduce reliance on any single source and help safeguard programme independence, impartiality and credibility. The scope and ambition of Phase VI would take account of available resources.

51. Taken together, these considerations would inform the development of Phase VI structured around two interrelated areas: the future role and form of Better Work's enterprise-level engagement in promoting compliance and decent work; and strengthening the contribution of Better Work's experience, evidence and approaches to wider One-ILO and constituent efforts to strengthen the enabling environment for decent work and competitiveness.

52. The development of Phase VI would be aligned with the ILO Strategic Plan for 2026–29, the Development Cooperation Strategy 2026–29, relevant outcomes of the programme and budget and key ILO strategies, frameworks and tripartite conclusions, particularly those relating to decent work in supply chains, social dialogue and tripartism, gender equality and non-discrimination and wage policy, including living wages. Better Work could also contribute, alongside other ILO interventions, to relevant follow-up to the 2026 Governing Body discussion on possible initiatives on decent work in supply chains, including through its evidence on compliance and enforcement and the sharing and scaling of relevant ILO tools and approaches.

▶ Draft decision

53. **The Governing Body:**

(a) **took note of the progress made in implementing the recommendations of the independent high-level evaluation of the Better Work programme and the lessons learned from the implementation of Better Work Phase V (2022–27);**

(b) **acknowledged Better Work's contributions and strategic relevance to ILO's work, and the importance of continued resource mobilization in line with the Development Cooperation Strategy;**

(c) **requested the Director-General to take into account the guidance provided by the Governing Body for Better Work Phase VI, in the context of the ongoing ILO reform.**

▶ Appendix 1

Overview of Better Work country programmes

Country programme	Year established	No. of factories	No. of workers (% women)	No. of buyers [1]	No. of Better Work staff	Funding source [2]	Type of programme [3]
Bangladesh	2015	510	1 338 232 (54%)	91	52	PS, [5] XB [6]	Voluntary
Cambodia	2001	836	807 342 (75%)	135	49	NC, [7] PS, XB	Mandatory
Egypt	2020	57	87 770 (47%)	50	5	PS, XB	Voluntary/ One ILO
Ethiopia	2019	21	38 736 (85%)	6	12 (Under One-ILO SIRAYE Programme)	PS, XB	Voluntary/ One ILO
Haiti	2009	22	21 353 (51%)	9	4	PS, NC	Mandatory
Indonesia	2011	210	481 073 (78%)	82	2	PS, XB	Voluntary
Jordan	2008 (paused in 2025)						
Lesotho							2010 (closed in 2015)
Madagascar	2021	–	–	0	5 positions (recruitment ongoing)	XB	One ILO/ thematic intervention at the sectoral level
Nicaragua	2011 (closed in 2025)						
Pakistan	2022	141	309 030 (13%)	54	11	NC, PS	Voluntary/ One ILO
Sri Lanka	2022	–	–	0	2	XB	One ILO/ thematic intervention at the sectoral level
Uzbekistan	2023	29	14 789 (73%)	1	3	XB, NC	Voluntary/ One ILO
Viet Nam	2009	500	731 630 (77%)	118	15	PS, XB	Voluntary
Total	–	**2 326**	**3 829 955 (63%)**	–	**154 in country-based programmes** [4]	–	–

[1] Defined as buyer partners that have signed public–private partnership agreements with the ILO and other buyers subscribing to factory reports in the last two years. [2] Country-level programme budgets currently range from approximately US$250,000 to US$5 million per annum. Some programmes recover factory operation costs (a proportion of total programme costs) through contributions from the private sector. In 2025, cost recovery rates in Bangladesh, Egypt, Indonesia and Viet Nam were 69, 71, 96 and 93 respectively. In Cambodia and Pakistan, a combination of private sector contributions and national funding covered all the factory operation costs. [3] Shaped by bilateral trade agreements, some governments have made export licences contingent on factory participation in the Better Work programme. Programmes in Egypt, Ethiopia, Pakistan and Uzbekistan are designed to contribute to an integrated One ILO approach. Programmes in Madagascar and Sri Lanka are thematic interventions. They are designed with the aim of sharing tools and supporting constituent capacity-building, with minimal factory engagement. [4] This number excludes the 5 pending recruitments in Madagascar and the 20 staff in the global secretariat: 9 in Geneva and 11 in Bangkok. [5] PS = private sector contributions, including membership fees and corporate grants. [6] XB = extrabudgetary donor financing. [7] NC = national counterpart financing.

▶ Appendix 2

Research and evidence

1. Better Work continues to draw on independent research and programme data to assess its impact on enterprises and workers and inform programme design, ILO technical work and industry learning.

2. New independent analysis of Better Work assessment and advisory data, gathered between 2009 and 2025 from approximately 3,400 factories across 11 countries, finds substantial improvements in compliance. By the fifth year of programme participation, factories have, on average, 45 per cent fewer non-compliance findings than at baseline, reaching 74 per cent by the tenth year. OSH, contracts and compensation show the largest improvements from the baseline, yet OSH and working time exhibit relatively high rates of recurrence, particularly where progress requires changes in management systems, workplace culture, and established norms (Cajal-Grossi et al., forthcoming). These findings are informing Better Work's Factory Engagement Model.

3. Other independent research highlights the role of the enabling environment and effective industrial relations in sustaining progress. In Ethiopia, research found stronger wage growth in factories supported through the One-ILO SIRAYE programme, alongside reduced working hours and improvements in non-wage benefits and reported harassment, but persistent challenges were related to inflation and constraints on union activity (Oya and Schaefer, 2024). Research across seven countries found stronger compliance with formal union formation rights, while highlighting persistent challenges in the effective operation of unions and collective bargaining. Respect for freedom of association and, particularly collective bargaining, is associated with better compliance with other employment standards although the strength of these associations varies across national and institutional contexts (Li, Kuruvilla and Bae, 2025; Lupo and Verma, 2025). Emerging analysis from Bangladesh also points to an association between workplace compliance – particularly in relation to employment contracts, working time and freedom of association – and labour unrest, with factories participating in Better Work showing a lower probability of exposure to hartals (Cajal-Grossi et al., forthcoming).

4. Research on sexual harassment prevention initiatives in Indonesia and Nicaragua, and support to another ILO project in Honduras, points to improvements in awareness, trust in reporting mechanisms and respectful workplace behaviours. It identifies sustained engagement, management buy-in and supportive workplace cultures as important conditions for achieving lasting changes (Koithara Mathew et al., 2025). A recent assessment of the Gender Equality and Returns programme in Bangladesh found increased women's representation in supervisory roles and pay, alongside higher production efficiency (IFC and ILO, 2025). Research in Sri Lanka has also examined barriers faced by persons with disabilities in accessing and sustaining garment-sector employment and programme efforts to address them, extending the evidence on more inclusive workplaces.

5. Research also examined links between working conditions, enterprise performance and supply-chain dynamics. Earlier studies associate improved working conditions with productivity, enterprise performance and export competitiveness (Better Work, 2022; Cajal-Grossi, 2022; Robertson et al., 2023). New analysis from Bangladesh finds stronger

compliance associated with higher-value, more frequent and longer-term buyer–supplier relationships, while just-in-time sourcing is associated with higher non-compliance, highlighting the influence of sourcing and buyer practices (Cajal-Grossi et al., forthcoming).

6. Finally, Better Work research is examining emerging pressures on enterprises and workers. Rapid factory-level surveys in Bangladesh, Cambodia and Pakistan provide timely insights into changing conditions, including macroeconomic pressures and enterprise responses. Research on climate-related heat stress and flooding highlights risks to workers, productivity and supply-chain resilience, while ongoing ILO research through Better Work's factory network examines how AI adoption is affecting productivity, work organization, skills and job quality (IFC and ILO, 2025; ILO, forthcoming).