



**FRIEDRICH NAUMANN  
FOUNDATION** For Freedom.

Bangladesh

## **Terms of Reference**

### **Supply Chain Perception, Practices, and Challenges to Global Human Rights Protocols: A Study of the Readymade Garments Sector**

#### **I. Background and Objective of the Assignment**

Bangladesh's major export is readymade garments (RMG). The United States (20% of total export) and the European Union (EU) (60% of total export) are major destinations of this product. Germany is the biggest importer amongst European nations. Over the years, these countries and their big corporations, as well as their domestic consumers, have expressed concerns of child labor, safety and quality of working conditions of the workers. Subsequently, laws and regulations have been passed and implemented to ensure eradication and/or improvements of these conditions. Exporters like Bangladesh have been obliged to make necessary investments both in infrastructure and in bringing improvements in monitoring and complying working conditions and safety standards guidelines.

In recent years, there has been further due diligence in place to improve the human rights performance as well as environmental concerns. More specifically, areas of concern include: (i) improvement of labour conditions, and wages; (ii) improvement of grievance mechanisms; (iii) improvement of waste water management; and (iv) chemicals and environmental management. Use of organic cotton is also espoused.

While hitherto in Bangladesh the requirements and expectations from the international buyers to the Bangladeshi garments exporters were limited to the latter's factory premises, of late, it has become more encompassing. Under the new statutory requirements, the whole supply chain in the production and distribution of the goods will be under scrutiny. The new German 'Act on Corporate Due Diligence in Supply Chain' passed on June 2021 to be entered into force on 01 January 2023 aims to improve the protection of international human rights and the environment by setting binding standards for large companies and their value chains. This legislation entails an obligation to make an effort to demonstrate that companies have implemented the due diligence measures as per the law, however, with the caveat of feasibility and appropriateness as per individual context.

The Friedrich Naumann Foundation for Freedom Bangladesh (FNF) intends to support a research activity to understand the status, constraints, and opportunities of the RMG sector in addressing the new rules and regulations that Germany and other European countries have begun to implement relating to human rights performance both within the factory premises and with the entire supply chain network. The findings of the study are expected to identify the limitations as well as the areas of intervention that will be essential in the short and medium term to meet the newly formulated international requirements on adherence to global business and human rights guiding principles.

## **II. Scope of work and Deliverables**

The consultancy will include the following activities:

- (i) review secondary documents on Bangladesh garments sector's regulatory issues, statutes and guidelines both of the Government of Bangladesh, BGMEA, ILO, and other local and foreign bodies and organisations.
- (ii) develop survey protocol, survey instruments and interview guides in consultation with the FNF team;
- (ii) collect primary quantitative and qualitative data by interviewing key stakeholders – RMG, entrepreneurs, producers or distributors of raw materials and other intermediate products or services who comprise the supply chain, regulatory bodies, both domestic and foreign; business associations including BGMEA, BTMA; legal experts, and other stakeholders;
- (iv) analyse the primary data collected and relevant secondary data;
- (v) analyse the German 'Act on Corporate Due Diligence in Supply Chain 2021' and related European laws to draw its consequences on Bangladesh
- (vi) write a detailed report including the literature review, analytical results, and suggested interventions including policy recommendations.
- (vii) submit a first draft of the report to FNF and a final version incorporating feedback
- (viii) for the purpose of dissemination of the study:
  - present the findings in an in person dissemination seminar
  - present the findings in an online webinar for both Bangladeshi and global stakeholders

## **III. Timeline and reporting**

The consultant is expected to complete the assignment within 35 days from the day of signing the contract.

## **IV. Payment schedule:**

The consultant should submit a detailed budget outlining major heads. The budget should include all relevant costs applicable for this assignment. It should **not exceed BDT 3,50,000** (In words: three lacs and fifty thousand) inclusive of all taxes. Relevant and applicable legal documents (including agency or organization's registration paper if applicable, Tax/TIN certificate, VAT certificate and bank details) should be submitted upon selection.

Payment will be based on agreed key deliverables:

- 40% of consultancy fees will be paid one week after submission of Inception Report.
- The remaining 60% of consultancy fees will be paid within two weeks after submission of Final Report
- The fees will be paid by cheque or bank account transfer upon agreement with the consultant. VAT and tax will be deducted as per local government policies.

#### **V. Submission:**

Please submit your proposal (both technical and financial, along with CVs of team members) in English no later than **05 October 2022** to [bangladesh@freiheit.org](mailto:bangladesh@freiheit.org). In the subject line please **include your full name** along with the following **“Consultancy Application: Supply Chain Study”**. Only short-listed candidates will be notified and contacted for an interview. Applications received after the deadline or incomplete applications will not be considered.

#### **VI. About Us:**

The Friedrich Naumann Foundation for Freedom is a foundation for liberal politics in the Federal Republic of Germany. It aims to promote the goal of making the principle of freedom, both in Germany and abroad. Through civic education and dialogue, sponsorship of the talented, research and political consultation, and archive-work), FNF wants to contribute to shaping the future with the pursuit of liberty. *FNF is an equal opportunity employer.*