

REQUEST FOR PROPOSAL

Original date issued: Sunday, 21 March 2021.
Deadline for questions: Monday, 29 March 2021. 12:00pm EST
Response to questions posted: Monday, 5 April 2021. 2:00pm EST
Closing date: Monday, 19 April 2021. 12:00pm EST
Anticipated award date: Monday, 3 May 2021. 12:00pm EST
Internal Reference: G09– Liechtenstein RRF
Subject: RFP – G09- Financial Products to Reduce the Prevalence of
Modern Slavery

CONCEPT SUMMARY

Project name: Exploring Financial Products to Reduce Modern Slavery in the Informal Garment Sector in Bangladesh

Total funding to be disbursed: \$52,000 [inclusive of any sales taxes]

Project objectives: Develop an understanding of the financial lives and pain points of informal factory workers and owners; leverage these insights to generate ideas for financial products -- such as credit, savings, insurance, payments, education finance, supply chain finance, etc-- with meaningful potential to impact the prevalence of forced labor.

Target geographies: Hubs of informal apparel production in Bangladesh; for instance Narayanganj; Gazipur; Chattogram; and Dhaka (Keraniganj, Savar).

Total addressable cohort: The total cohort working in the informal apparel sector in Bangladesh is unknown; however in one hub alone, Keraniganj, there are approximately 240,000 informal workers. 50% of them are below 18. Across Bangladesh, there are several hubs similar to Keraniganj; the size of the total addressable cohort is significant.

INSTRUCTION TO THE RESPONDENTS

GFEMS anticipates awarding one (1) award as a result of this solicitation.

The ideal recipient will have:

- Knowledge of and experience with both modern slavery and financial services;
- An existing network in financial services in Bangladesh, including microfinance;
- An existing network within the informal garment industry in Bangladesh, or access to an organization which could facilitate introductions;
- Experience conducting trauma-informed interviews with vulnerable groups;
- An understanding of the anti-slavery context in Bangladesh, preferably, or in another country;
- A track record of completing similar scoping and ideation projects, in particular around financial services;

Interested respondents should submit a proposal following the prescribed format in the Submission Requirements section of this RFP.

Adherence to the proposal format by all respondents will ensure a fair evaluation with regard to the needs of GFEMS. Respondents who do not follow the prescribed format may be deemed non-responsive.

Please limit your proposal to no more than 10 pages, excluding CVs or resumes and required forms. Proposals must be submitted electronically to proposals@GFEMS.org with a subject line noting the solicitation title found on page one of this RFP, "RFP – G09 – Financial Products to Reduce the Prevalence of Modern Slavery". No phone calls please. Proposals received after the closing date stated on the top the cover page of this RFP will be rejected.

Technical and contractual questions concerning this solicitation must be directed to proposals@GFEMS.org.

All communications must include the solicitation title, G09- Financial Products to Reduce the Prevalence of Modern Slavery, in the subject line.

No communication intended to influence this procurement is permitted except by contacting the designated contact email above. Contacting anyone other than the designated contact (either directly by the Respondent or indirectly through a lobbyist or other person acting on the respondent's behalf) in an attempt to influence this procurement: (1) may result in a Respondent being deemed a non-responsive Respondent, and (2) may result in the Respondent not being awarded a contract.

This solicitation in no way obligates GFEMS to award a contract nor does it commit GFEMS to pay any cost incurred in the preparation and submission of a proposal.

GFEMS bears no responsibility for data errors resulting from transmission or conversion processes. GFEMS appreciates your responsiveness and look forward to a mutually beneficial business relationship.

ABOUT GFEMS

The Global Fund to End Modern Slavery (GFEMS) is a bold international fund catalyzing a coherent global strategy to end human trafficking by making it economically unprofitable. With leadership from government and the private sector around the world, the Fund is escalating resources, designing public-private partnerships, funding new tools and methods for sustainable solutions, and evaluating effectiveness to better equip our partners to scale and replicate solutions in new geographies.

INTRODUCTION

GFEMS is interested in exploring the potential of financial products in reducing the prevalence of forced labor among workers, including children, in the Bangladeshi informal apparel industry.

The informal apparel industry, which exists primarily to serve the local Bangladeshi market, experiences a particularly high prevalence of forced labor due to increased financial vulnerability of workers and particularly weak government oversight. The COVID-19 pandemic has compounded these issues, eroding local demand for clothing at a crucial time in the Bangladeshi garment sales cycle. GFEMS believes that the inflection point brought on by the pandemic, and the increased scrutiny on

issues of labor standards, offers an opportunity to address some of these longstanding exploitation concerns.

GFEMS proposes a four-to-six-month project which aims to first develop an understanding of the financial lives and pain points of informal factory workers and owners; and then leverage these insights to generate ideas for financial products with meaningful potential to impact the prevalence of forced labor. The output of this project would be the initial design of the most promising financial product prototype(s); by project close, the prototype(s) would be prepared for market trials, subject to available funding.

BACKGROUND AND PURPOSE

Bangladesh is well-known for its export-facing ready-made garment (RMG) industry, which employs millions of workers across the country. The industry has long come under criticism for its poor working conditions and forced labor, driven by high rates of poverty, the fragmented nature of textile supply chains, and weak enforcement of legal protections for workers. However, **less commonly known internationally is the parallel apparel industry which exists primarily to serve the local Bangladeshi market.** Increased financial vulnerability and weaker government oversight mean that these issues are even more acute than in the export market: **forced labor, including of children, is particularly pervasive among its workforce.** A conservative estimate has several hundred thousand workers in the local garment market in Bangladesh, with more than 250,000 in Keraniganj, a local garment hub, alone.¹ However, few NGOs are active in this space due to the sector's relatively limited visibility to donors.

This local industry is informal in nature, typically making use of raw and leftover materials from the export-oriented segment of the market² and often lacking access to formal sources of capital.³ Anecdotally, GFEMS has become aware that a portion of these factories-- roughly 30 percent in one district⁴-- act as subcontractors for the more formal export market; however, the majority of their production is destined for local purchase. The informal industry's lack of regulation and government oversight can compound the problem of forced labor, including of children. Such criticisms are not new, but the COVID-19 pandemic has exacerbated these problems and heightened worker vulnerability.

At the start of the pandemic, factories serving the domestic market suffered a drop-off in demand, compounded by the fact that roughly 30 percent of domestic garment sales in Bangladesh occur in the month between Bengali New Year (April) and Eid (late May).⁵ The knock-on impact on workers' salaries was extensive: workers often receive partial pay throughout the year and the remaining ~80 percent of their yearly "salary" in the days leading up to Eid.⁶ Already impoverished workers found themselves in increasingly vulnerable positions. Similarly, those informal factories forming part of the supply chain for international brands suffered the consequences of brands' canceled orders and refusals to pay

¹ Bangladesh Labour Foundation (BLF). (May 2018.) Baseline Study on Child Labour in the Keraniganj Apparel Hub.

² Ibid.

³ Bangladesh Labour Foundation (BLF). (September 2020.) Semi-structured interview with GFEMS.

⁴ Labowitz, S. and Baumann-Paul, D. NYU Stern Center for Business and Human Rights. (December 2015). Beyond the Tip of the Iceberg: Bangladesh's Forgotten Apparel Workers

⁵ BRAC (2020, April 13). Semi structured interview with GFEMS.

⁶ Mukut, A., Bangladesh Labour Foundation (21 April 2020). Semi structured interview with GFEMS.

suppliers: many cash-strapped factory owners responded with mass layoffs.⁷ As of April 2020, Bangladesh, where garments and textiles comprise 80 percent of the country's exports, had already seen 1M apparel workers (out of 4.1M) furloughed or fired⁸ and \$2.8B worth of apparel export orders canceled.⁹

As the pandemic progressed, some export-facing factories benefited from stimulus packages from the government or were eligible for formal debt, while informal sector factories found themselves eligible for neither.¹⁰ Given the sector's informality, the Bangladesh Ministry of Labor and Employment and the Ministry of Finance lack an accurate and up-to-date list of terminated employees, limiting workers' access to relief subsidies.¹¹ Compounding the issue, the sector has continued to be a relatively low priority for international donors, with very few allocating aid to mitigate pandemic-related adverse impacts in the informal garment industry.

While factories have now begun to reopen and demand is resuming, vulnerabilities from the early pandemic period still reverberate. Worker financial insecurity and desperation has increased. Due to factory shutdowns, there are fewer jobs available, and workers have less leverage to demand better working conditions. Desperation to make up lost revenues has increased factory incentives to exploit workers, and returning workers are working longer hours, accepting lower wages, and facing harassment and compromised occupational safety.¹² In partnership with ELEVATE, Bangladesh Labour Foundation, and Phulki, GFEMS funds the deployment of a worker voice survey in clusters of these informal factories around Dhaka. Initial research, beginning in fall 2020, indicated a high incidence of forced labor and child labor, including children under 14.¹³ Local reports from one district, Keraniganj, indicate that factory owners have almost halved the rate offered to workers per garment, and there has been an uptick in exploitation among female factory workers.¹⁴

Exploitation concerns within the informal apparel industry in Bangladesh are not new. However, GFEMS believes that the inflection point brought on by the pandemic and the increased scrutiny on issues of labor standards offer an opportunity to address longstanding exploitation concerns.

GFEMS is interested in exploring the potential of financial products in reducing the prevalence of forced labor among workers in the Bangladeshi informal apparel industry. The goal of this project is to:

⁷ NORC at the University of Chicago. (December 2020). Ripped at the Seams: RMG Sector Workers during a Global Pandemic.

⁸ Anner, Mark; (2020, March 27). Abandoned? The impact of Covid-19 on workers and businesses at the bottom of global garment supply chains. Penn State Center for Global Workers' Rights. <https://www.workersrights.org/wp-content/uploads/2020/03/Abandoned-Penn-State-WRC-Report-March-27-2020.pdf>

⁹ Suhrawardi, R. (2020, March 30). Collapse Of Bangladesh's Garment Industry During Coronavirus Leaves Its Workers More Vulnerable Than Ever. Forbes. <https://www.forbes.com/sites/rebeccasuhrawardi/2020/03/30/collapse-of-bangladeshs-garment-industry-leaves-its-workers-more-vulnerable-than-ever-during--coronavirus/#4d64669df27e>

¹⁰ NORC at the University of Chicago. (December 2020). Ripped at the Seams: RMG Sector Workers during a Global Pandemic.

¹¹ Ibid.

¹² Clean Clothes Campaign. (January 2021). Live-blog: How the Coronavirus affects garment workers in supply chains.

¹³ ELEVATE assesses forced labor risk based on the ILO's guidelines: factors include withheld wage payments; physical abuse; employers holding identity papers; lack of written contracts; irregular payment times; and workers forced to work outside of regular hours.

¹⁴ Bangladesh Labour Foundation (BLF). (September 2020.) Semi-structured interview with GFEMS.

- Develop an understanding of the financial lives of three customer segments: (a) workers in the informal apparel sector, (b) where possible, families of children working in the informal apparel sector, and (c) owners/ managers of small informal apparel factories (including business-related pressures).¹⁵
- Complete a landscaping exercise to understand financial products currently offered to these target groups, and assess their tangible impact on the prevalence of forced labor.
- Leverage these insights to generate ideas for financial products or services (whether new or building on existing products), for any or all of the three customer segments; complete an initial assessment of product feasibility. These products may include credit, savings, insurance, payments, education finance, supply chain finance, or other products.
- Provide clear next steps: for instance, prepare for market trials of the most promising prototype, so that further stakeholders and funding can be mobilized in support of the concept.

Additional background information is available on request.

SCOPE OF WORK

GFEMS proposes a scope of work which includes a thorough interrogation of the following **indicative & non-exhaustive** research questions and hypotheses:

1. **Insight generation phase:** Through targeted interviews, develop an understanding of the financial lives (and how they might relate to forced labor) of three customer segments: (a) workers in the informal apparel sector, (b) where possible, families of children working in the informal apparel sector, and (c) owners of small informal apparel factories (including business-related pressures). Complete a landscape analysis to outline the current financial products on offer to these groups. Draft a report for publication, sharing key takeaways and recommendations to inform Phase 2.
 - What are the financial behaviors, pressures, and pain points faced by each of these three segments? What has been the impact of the pandemic on the severity of these pain points?
 - How does the above impact the risk or prevalence of forced labor? What data, if any, exists to **demonstrate the link** between financial pain points and forced labor? What is the quality of this data-- is the link with forced labor clearly associated with the relevant financial pain points?
 - Which financial products are currently being offered to the target consumer groups? What is the penetration of these products?
 - What logic and supporting evidence or data, if any, exists to **demonstrate the link** between these financial products and forced labor? What is the quality of this data-- is the effect on modern slavery clearly associated with the relevant financial products? [These data may not exist; in which case, the contractors will be expected to provide a recommendation for those products with the most potential.]
 - How might these products be developed or improved to heighten their impact on the prevalence of forced labor?
2. **Ideation phase:** Leverage insights from Phase 1 to generate ideas for financial products or services, for any or all of the three customer segments; complete an initial assessment of product feasibility.

¹⁵ It is expected that Bangladesh Labor Foundation will be an essential partner in this work due to their unparalleled access to the relevant communities in Keraniganj, should Keraniganj be a geography of focus.

- Which financial products could ease the most relevant pain points identified? [This could be credit, savings, insurance, payments, education finance, supply chain finance, etc. These products may already exist to serve the target market, or be completely new concepts.]
- Are these financial products likely to make a **direct, measurable contribution** to the reduction in the prevalence of modern slavery? What is the logic for impact? What data or other evidence exists to support this? Is it possible to influence behavior and incentives through access to financial products, or would further levers be required (such as conditional financial products?)
- How would forced labor reduction outcomes be 1) measured, 2) verified, and 3) attributed to the proposed financial products? Which party (e.g.: a third-party evaluator) would play this role?
- Is there supply-side willingness to offer these products, and which parties are most likely to offer them?
 - For instance, would such products be offered by commercial banks, non-bank financial institutions (NBFIs), microfinance institutions (MFIs), mobile financial service providers (MFS), or NGOs?
 - Would it be possible for them to be self-sustaining, or would subsidies or guarantee finance be required?
 - What would financial institutions require in order to provide such products (health checks, credit ratings, collateral, etc.?) Could these requirements be met by the three customer segments?
- Is there demand side willingness and interest in such products? Would there be any gating factors to uptake— e.g., financial literacy, technological literacy & access to technology, cultural acceptance and trust in financial products and institutions, etc.?
- What are the risks involved in developing these products: for instance, could they create perverse incentives for any of the three customer segments, or increase vulnerability?
- Which of the proposed products have the highest potential for uptake and **direct, measurable contribution** to a reduction in the prevalence of forced labor?

There is no specified geography for this project. GFEMS has previously worked in Narayanganj and Keraniganj; we welcome proposals focusing on these locations as well as others: for instance Gazipur, Chattogram, or Savar.

Deliverables:

- **Report from Phase 1:** sharing key learnings, takeaways and recommendations to inform Phase 2.
- **Report from Phase 2:** sharing summary of concepts considered and key recommendations, including a shortlist of financial product(s) to be piloted in Bangladesh shortly after this study
- **Full proposal(s):** outline initial design of chosen financial product(s) to enable follow-on conversations. Recipient should be able to join and contribute to outreach meetings with donors to support the next stage of work: the product pilot.

SUBMISSION REQUIREMENTS

Section 1. Company profile:	Please limit to no more than two pages. CV's or resumes will not count toward the page limit. <ol style="list-style-type: none"> 1. Provide a description of your business and general capabilities 2. Provide the year your business was established and began providing the services requested in this request for proposal 3. Revenue and number of employees for the past two fiscal years.
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	<ol style="list-style-type: none"> 4. Statement that you are financially sound, not delinquent to or under investigation by any unit of government, and are otherwise a responsible, solvent entity 5. CVs or resumes of key personnel- in a leading paragraph, please indicate how much time each person(s) will devote to this contract and what other projects this person (s) undertake at the same time 6. Please indicate whether or not you would use contractors, consultants, or other third parties; if so, please list them
<p>Section 2: References:</p>	<p>A description of the types and sizes of client organizations served, reflecting similar past performance.</p> <p>Respondents should provide references as follows:</p> <ol style="list-style-type: none"> 1. At least three (3) examples of relevant work 2. The contact information should include the contact name, phone number, e-mail address, and website address. References will be contacted as part of the evaluation process
<p>Section 3. Approach:</p>	<ol style="list-style-type: none"> 1. Describe a comprehensive plan to complete the insight generation phase. Include an estimation of the number of interviews which would be completed, your approach to gathering accurate information, and consideration of the need for a trauma-informed approach. 2. Describe a comprehensive plan to complete the ideation phase. Define what procedures will be used to develop, assess suitability, and prioritize among potential financial solutions. 3. Describe the proposed geography for this project. 4. Describe your proposed approach to connecting and forming partnerships with relevant stakeholders, including in the financial services and informal apparel industries. List relevant existing partners and how they will support the project 5. Provide an indicative workplan and staffing plan. 6. Provide an action plan to address challenges such as lack of access to data, or other foreseeable risks.
<p>Section 4. Budget and Price:</p>	<p>GFEMS expects a proposal that is fixed-fee, subject to a maximum not to exceed amount.</p> <p>Respondents must provide a detailed breakdown of line item cost by unit using the budget template included with this RFP. (Annex A)</p> <p>GFEMS anticipates the total cost for the above scope of work to not exceed \$52,000 USD, inclusive of any relevant sales tax.</p> <p>Please be advised that GFEMS is cost-conscious about procuring outside services.</p>

TYPE OF CONTRACT TO BE AWARDED

Fixed price per deliverable

CONTRACT TERM AND DELIVERY DATES

GFEMS expects this scope of work to be completed in 3-4 months, from April 2021 to July 2021. Final delivery dates will be negotiated upon award.

Below is an indicative timeline that can be largely revised based on the preferences and methods of the selected recipient. It only serves here to provide further indications on the different components of the scope of work:

Activity	Deadline
• Report from Phase 1	May 2021
• Report from Phase 2	June 2021
• Full proposal(s)	July 2021

EVALUATION AND AWARD PROCESS

The award will be made to a responsible respondent whose offer follows the RFP instructions, meets the eligibility requirements, and meets or exceeds the minimum required technical specifications, and is judged to be the best value to GFEMS.

Please note that if there are significant deficiencies regarding responsiveness to the requirements of this RFP, an offer may be deemed “non-responsive” and thereby disqualified from consideration. GFEMS reserves the right to waive immaterial deficiencies at its discretion.

GFEMS reserves the right to award under this solicitation without further negotiations. Respondents are encouraged to offer their best terms and prices with the original submission. It is anticipated that an award will be made solely on the basis of these original proposals. However, GFEMS reserves the right to conduct any of the following:

- conduct negotiations with and/or request clarifications from any respondent prior to award
- issue a partial award or split the award among various respondents, if in the best interest of GFEMS
- cancel this RFP at any time

Proposals will be evaluated based upon:

1. ability to match the qualifications set forth in this solicitation
 - a. Company Profile (10%)
 - b. References (10%)
 - c. Technical/strategic approach- insights phase (25%)
 - d. Technical/strategic approach- ideation phase (25%)
 - e. Budget and price (25%)
 - f. Application completeness and organization (5%)

GENERAL CONDITIONS

Late submissions and submissions lacking the appropriate completed forms will not be considered. Submissions will not be accepted at any other GFEMS location other than the email address above. If changes are made to this solicitation, notifications will be sent to the primary contact provided to GFEMS from each Respondent. GFEMS takes no responsibility for effective delivery of the electronic document.

This solicitation does not commit GFEMS to award a contract, pay any costs incurred in preparing a proposal, or to procure or contract for services or supplies. GFEMS reserves the right to accept or reject any or all submissions received, to negotiate with all qualified sources, or to cancel in part or in its entirety the solicitation when it is in the Fund's best interest.

The Respondent shall disclose any indictment for any alleged felony, or any conviction for a felony within the past five years, under the laws of the United States or any state or territory of the United States, or any International jurisdiction and shall describe circumstances for each. When an Respondent is an association, partnership, corporation, or other organization, this disclosure requirement includes the organization and its officers, partners, and directors or members of any similarly governing body. If an indictment or conviction should come to the attention of GFEMS after the award of a contract, GFEMS may exercise its stop-work right pending further investigation, or terminate the agreement.

It is the Fund's Policy that no gifts of any kind and of any value be exchanged between Respondents and GFEMS personnel. Discovery of the same will be grounds for disqualification of the Respondent from participation in any of the Fund's procurements and may result in disciplinary actions against GFEMS personnel involved in such discovered transactions.

Respondent must disclose any financial or organizational interest – as an employee, consultant, business partner, investor, shareholder, borrower, lender, beneficiary, board member or trustee – in an actual or potential competitor, contractor, sub-contractor, customer, client, vendor, donor or recipient of GFEMS, that might produce a conflict of interest or the appearance of a conflict of interest should this contract be awarded.

Respondent warrants that it shall not discriminate because of race, color, religion, sex, national origin, political affiliation, non-disabling physical and mental disability, political status, matriculation, sexual orientation, gender identity or expression, genetic information, status as a veteran, physical handicap, age, marital status or any other characteristic protected by law.

United States law prohibits transactions with, and the provision of resources and support to, individuals and organizations associated with terrorism. The Respondent under any award resulting from this RFP must ensure compliance with these laws.

By submitting a Proposal in response to this RFP, the Respondent, if selected for award, agrees that it will comply with all federal, State, and local laws applicable to its activities and obligations under the Contract.